



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

**PROPOSED BUSINESS COMBINATION WITH
STARLIGHT WESTERN CANADA MULTI-FAMILY LIMITED PARTNERSHIP**

**NOTICE OF SPECIAL MEETING OF UNITHOLDERS
TO BE HELD ON DECEMBER 12, 2025**

- AND -

MANAGEMENT INFORMATION CIRCULAR

Dated: NOVEMBER 12, 2025

This Notice, Management Information Circular and the accompanying materials require your immediate attention. If you are in doubt as to the actions required to be taken by these documents or the matters discussed therein, please consult your professional advisors.

**NOTICE OF SPECIAL MEETING OF UNITHOLDERS OF
STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND**

NOTICE IS HEREBY GIVEN that a special meeting (the “**Meeting**”) of the holders (the “**Unitholders**”) of class A trust units (the “**Class A Units**”), class B trust units (the “**Class B Units**”) and class C trust units (the “**Class C Units**”, and collectively with the Class A Units and Class B Units, the “**Units**”) of Starlight Western Canada Multi-Family (No. 2) Fund (the “**Fund**”) will be held virtually at <https://virtual-meetings.tsxtrust.com/1863> on December 12, 2025 at 10:00 a.m. (Toronto time) for the following purposes:

- (a) to consider and, if thought fit, pass, with or without variation, a special resolution of the holders of the Units voting together as a single class (the “**Transaction Resolution**”), the full text of which is set forth in Appendix “A” to the accompanying management information circular dated as of November 12, 2025 (the “**Information Circular**”), approving (i) the consummation of the transactions contemplated in the Business Combination Agreement between the Fund and Starlight Western Canada Multi-Family Limited Partnership (“**SW1 LP**”) to consolidate the assets of the Fund and SW1 LP into a combined portfolio of 15 properties comprising 1,413 multi-family units located in British Columbia with an aggregate value of approximately \$639.4 million (the “**Transaction**”); and (ii) an amendment to the Fund’s Declaration of Trust providing for (A) the extension of the term of the Fund by two years starting from the effective date of the Transaction, with two one-year extensions at the discretion of the Fund’s board of trustees (the “**Board**”); and (B) the Board to undertake a one-time public or private offering of additional trust units of the Fund within 18 months of the effective date of the Transaction to raise proceeds not exceeding 25% of the market capitalization of the consolidated platform, all as more particularly described in the accompanying Information Circular; and
- (b) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Unitholders are referred to the Information Circular for more detailed information with respect to the foregoing matters to be considered at the Meeting.

The Information Circular which accompanies this notice provides information regarding the business to be considered at the Meeting and includes the full text of the Transaction Resolution attached thereto as Appendix “A”.

The close of business (Toronto time) on November 7, 2025 has been fixed as the record date (the “**Record Date**”) for determining Unitholders entitled to receive notice of, and to vote at, the Meeting or any adjournment or postponement thereof.

Each Unit entitled to be voted at the Meeting will entitle the holder thereof as of the Record Date to one vote at the Meeting in respect of the Transaction Resolution. To be effective, the Transaction Resolution must be approved by: (i) 66⅔% of the votes cast on such Transaction Resolution by Unitholders, present virtually or represented by proxy at the Meeting, voting together as a single class, and (ii) a simple majority of the votes attached to the Units held by Unitholders present virtually or represented by proxy at the Meeting, subject to receipt of discretionary exemptive relief, voting as a single class, excluding the votes attached to any Units

held by Unitholders whose votes are required to be excluded for the purposes of “minority approval” under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), as the Transaction constitutes a “related party transaction” for the purposes of MI 61-101. In the event the discretionary exemptive relief is not received, Unitholders will vote on a separate class-by-class basis for purposes of “minority approval” under MI 61-101.

We will hold the Meeting in a virtual-only format, which will be conducted via live audio webcast. During the audio webcast, Unitholders will be able to hear the Meeting live, and registered Unitholders and duly appointed proxyholders will be able to submit questions and vote while the Meeting is being held.

Registered Unitholders and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting online at <https://virtual-meetings.tsxtrust.com/1863>, using password: “sw2025” (case sensitive).

Registered Unitholders who are unable to attend the Meeting virtually are requested to complete, date, sign and return the enclosed form of proxy (“**Proxy**”) by mail or by personal delivery or courier to TSX Trust Company, at 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1 Attention: Proxy Department, by fax to (416) 595-9593 or by internet at www.voteproxyonline.com, prior to 10:00 a.m. (Toronto time) on December 10, 2025 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to such adjourned or postponed Meeting.

Non-registered Unitholders who receive this notice and related materials through their broker or other intermediary should complete and send the Proxy or voting instruction form, as applicable, in accordance with the instructions provided by their broker or intermediary. These instructions include the additional step of registering such proxyholder with our transfer agent, TSX Trust Company (“**Transfer Agent**”), after submitting their Proxy or voting instruction form. Failure to register the proxyholder with the Transfer Agent will result in the proxyholder not receiving a 12-digit “Control Number” to participate in the Meeting and only being able to listen to the Meeting as a guest. Non-registered Unitholders who have not duly appointed themselves as proxyholder will be able to listen to the Meeting as guests, but will not be able to vote or submit questions at the Meeting. Please refer to the instructions provided in the “Non-Registered Holders” section of the Information Circular.

To be effective, a Proxy must be received by the Transfer Agent not later than 10:00 a.m. (Toronto time) on December 10, 2025, or, if the Meeting is adjourned or postponed, 48 hours, excluding Saturdays, Sundays and holidays, prior to any such adjourned or postponed Meeting. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion without notice.

* * *

DATED at Toronto, Ontario, this 12th day of November, 2025.

**By Order of the Board of Trustees of
STARLIGHT WESTERN CANADA MULTI-
FAMILY (NO. 2) FUND**

By: (signed) “Denim Smith”
Chair of the Board of Trustees

MANAGEMENT INFORMATION CIRCULAR

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MANAGEMENT INFORMATION CIRCULAR

Introduction

All capitalized terms used in this Information Circular but not otherwise defined herein shall have the meanings set forth under “*Glossary of Terms*”. The information contained in this Information Circular is given as at November 12, 2025, except where otherwise noted.

This Information Circular is furnished in connection with the solicitation of Proxies by and on behalf of the management of the Fund for use at the Meeting and any adjournment(s) or postponement(s) thereof. No Person has been authorized to give any information or to make representations in connection with the Transaction or any other matters to be considered at the Meeting other than those contained in this Information Circular and, if given or made, any such information or representation should not be considered to have been authorized by the Fund or management of the Fund.

This Information Circular does not constitute the solicitation of an offer to acquire any securities or the solicitation of a Proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

All summaries of, and references to, the Transaction in this Information Circular are qualified in their entirety by reference to the Business Combination Agreement, a copy of which is available under the Fund’s issuer profile on SEDAR+ at www.sedarplus.ca, the Fund’s website at <https://www.starlightinvest.com> or upon request without charge to the Fund’s head office located at 3280 Bloor Street West, Suite 1400, Centre Tower, Toronto, Ontario M8X 2X3, Attention: Miriam Levin, Executive Vice President, General Counsel (telephone: (416) 234-8444). **You are urged to carefully read the full text of such document.**

You should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with your own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.

Caution Regarding Forward-Looking Statements and Information

Certain statements contained in this Information Circular or the documents referenced herein contain “forward-looking statements” and “forward-looking information” within the meaning of applicable securities laws. Such forward-looking statements and information include, without limitation, statements or information with respect to the expected costs and benefits of the Transaction.

Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “might”, “will”, “could”, “should”, “would”, “occur”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “seek”, “aim”, “estimate”, “target”, “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 in this Information Circular includes, but is not limited in any manner to, statements with respect to: the Transaction, the Transaction Resolution; the meeting date for the Meeting; the intention of the Fund to complete the Transaction on the terms and conditions described herein and in the Business Combination Agreement; the expected timing for

the Effective Date; the Fund's expected investment returns and performance; the tax consequences of the Transaction; the anticipated benefits of the Transaction to the Unitholders generally; necessary approvals and other conditions required to complete the Transaction; and any other statements regarding the Fund's expectations, intentions, plans and beliefs.

With respect to forward-looking statements and information contained herein or in the documents referenced herein, the Fund has made numerous assumptions. These assumptions include, among other things: the ability to satisfy the conditions to completion of the Transaction; assumptions made in connection with the anticipated benefits of the Transaction; the anticipated Effective Date; the Fund's operations prior to Transaction, including expenses and capital requirements of the Fund's Properties; the accuracy of advice received from professional advisors; the impact of the current economic climate and the current Canadian and global financial conditions on the Fund's operations, including its financing capacity and asset value; the absence of material changes to government and environmental regulations affecting the Fund's operations; the performance of the Fund's investments; conditions in the real estate market; and interest rates in Canada. While management of the Fund considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

By their nature, forward-looking statements and information are based on assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements and information. Examples of such risks and uncertainties include, but are not limited to: the occurrence of any event, change or other circumstances that could give rise to the termination of the Business Combination Agreement; the inability to complete the Transaction due to the failure to satisfy the conditions of the Business Combination Agreement, including the failure to obtain the Unitholder Approval; the outcome of any legal proceedings that may be instituted against the Fund, Starlight Group or SW1 LP related to the Business Combination Agreement; the occurrence of a Material Adverse Effect; risks related to the potential termination of the Business Combination Agreement, including fees, costs and expenses of the Transactions not being recoverable; the disruption of management's attention from the Fund's ongoing business operations due to the Transaction; unexpected expenses that arise prior to the Effective Date that reduce distributions to Unitholders; the effects of local and national economic, credit and capital market conditions, including changes in interest rates, foreign exchange rates, government regulations or in tax laws; risks related to the taxes payable by the Fund and Unitholders; and the effect of the announcement of the Transaction on the Fund's relationships with its customers, operating results and business generally. For more information, see "*Risk Factors*".

Although the Fund has attempted to identify in this Information Circular important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information in this Information Circular and the documents referenced herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that the forward-looking statements and information in this Information Circular and the documents referenced herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements and information. Accordingly, readers should not place undue reliance on forward-looking statements or information in this Information Circular, or in the documents referenced herein. Except as required by applicable Law, the Fund disclaims any intention or obligation to update or revise any of the forward-looking statements or forward-looking information in this Information Circular or the documents referenced herein, whether as a result of new information, future events or otherwise, or to explain any material difference between

subsequent actual events and such forward-looking statements and information. All of the forward-looking statements made, and forward-looking information contained, in this Information Circular and the documents referenced herein are qualified by these cautionary statements.

Currency Presentation and Financial Principles

Unless otherwise indicated, all references to “\$” are to Canadian dollars.

Interpretation

References in this Information Circular to the simple majority vote of Unitholders, voting together as a single class, pursuant to MI 61-101, assumes receipt of the Exemptive Relief. In the event the Exemptive Relief is not received, such Disinterested Unitholder vote shall be conducted on a class-by-class basis.

GENERAL PROXY MATTERS

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of Proxies by and on behalf of management of the Fund for use at the Meeting and any adjournment or postponement thereof.

The information contained herein is as at November 12, 2025 unless otherwise stated.

Solicitation of Proxies will be primarily by mail but may also be in person, by telephone, by facsimile, by email or by other form of electronic communication. All costs of solicitation will be borne by the Fund. If you have any questions about how to exercise your voting rights, please contact TSX Trust Company, toll-free in North America at +1 (866) 600-5869 or if calling from outside North America at (416) 342-1091 or by email at tsxtis@tmx.com.

The Fund has fixed the close of business (Toronto time) November 7, 2025 as the Record Date for determining the Unitholders entitled to receive notice of, and to vote at, the Meeting or any adjournment(s) or postponement(s) thereof.

The Fund will cause the Transfer Agent to make a list of all persons who are Registered Unitholders on the Record Date and the number of Units registered in the name of each person on that date. Each Unitholder is entitled to one vote, for each applicable Unit held, on each matter in which such Unitholder is entitled to vote on at the Meeting registered in its name as it appears on the list.

The Fund has arranged for Intermediaries to forward meeting materials to beneficial Unitholders and the Fund may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxies

A form of Proxy is enclosed for use by Registered Unitholders and, whether or not you expect to virtually attend the Meeting, please exercise your right to vote. Unitholders who have voted by Proxy may still virtually attend the Meeting. Please complete and return the Proxy in the envelope provided. The Proxy must be executed by the Registered Unitholder or the attorney of such Registered Unitholder, duly authorized in writing. Proxies to be used at the Meeting must be deposited with the Transfer Agent in the envelope provided or otherwise to TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, Attention: Proxy Department or by facsimile at (416) 595-9593, **not later than 10:00 a.m. (Toronto time) on December 10, 2025 or, if the Meeting is adjourned or postponed, 48 hours, excluding Saturdays, Sundays and holidays, prior to such adjourned or postponed Meeting.**

You may also vote by Proxy using the following methods:

- Online – Go to www.voteproxyonline.com, enter your 12-digit “Control Number” and provide your voting instructions; or
- Fax – Complete your voting instruction, sign and date the Proxy and fax it to TSX Trust Company at 416-595-9593.

The individuals named in the accompanying Proxy are trustees, directors or officers of the Fund or the Manager. **A Unitholder may appoint as proxyholder a person or company (who need not be a Unitholder), other than any person designated by management of the Fund in the Proxy, to virtually attend and act on such Unitholder's behalf at the Meeting or at any adjournment thereof. Such right may be exercised by either inserting such other desired proxyholder's name in the blank space provided on the Proxy or by completing another proper Proxy.**

Registering a Proxyholder by Registered Unitholders

Registered Unitholders who wish to appoint a third-party proxyholder (other than the suggested management proxies) to represent them at the Meeting must submit their Proxy prior to registering a proxyholder. Registering a proxyholder is an additional step Registered Unitholders will need to complete after submitting a Proxy. Failure to register a proxyholder will result in the proxyholder not receiving a 12-digit "Control Number" to participate in the Meeting. To register a proxyholder, Registered Unitholders must visit <https://www.tsxtrust.com/resource/en/75> to obtain a request form and submit the request form to tsxtrustproxyvoting@tmx.com **not later than 10:00 a.m. (Toronto time) on December 10, 2025, or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to such adjourned or postponed Meeting**, and provide the Transfer Agent with their proxyholder's contact information so that the Transfer Agent may provide the proxyholder with a 12-digit "Control Number" via email. Without a 12-digit "Control Number", proxyholders will not be able to participate online at the Meeting. The online registration details of the proxyholder must match the information provided in the applicable Proxy or Voting Instruction Form to be valid.

Revocation of Proxies by Registered Unitholders

Registered Unitholders who have submitted a Proxy may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by: (a) completing, signing and delivering a Proxy bearing a later date; (b) delivering an instrument in writing, executed by the Unitholder's or by such person's attorney duly authorized in writing, either (i) to the Fund's head office at 3280 Bloor Street West, Suite 1400, Centre Tower, Toronto, Ontario M8X 2X3, Attn: Miriam Levin, Executive Vice President, General Counsel (telephone: (416) 234-8444), at any time up to and including the last Business Day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, or (ii) to the Chair of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or (c) any other manner permitted by applicable Law.

If a Registered Unitholder who has submitted a Proxy attends the Meeting via the webcast and has accepted the terms and conditions when entering the Meeting online, any votes cast by such Unitholder on a ballot will be counted and the submitted Proxy will be revoked and disregarded. See *"Special Business of the Meeting—Participation by Registered Unitholders and Duly Appointed Proxyholders"*.

Execution of Proxies

The Proxy must be executed by the Unitholder or his, her or its attorney authorized in writing, or if the Unitholder is a corporation, the Proxy should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. A Proxy signed by a person acting as attorney or in some other representative capacity should reflect such

person's capacity following his, her or its signature and appropriate documentation evidencing qualification and authority to act may be required to be provided (unless such documentation has been previously filed with the Fund).

Exercise of Discretion

Where a choice with respect to any matter to be acted upon has been specified in the Proxy, the Units represented by the Proxy will be voted as directed by the Unitholder. **In the absence of such direction, the Units represented by a valid Proxy deposited in the manner described herein will be voted IN FAVOUR of the Transaction Resolution.** The enclosed Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly be brought before the Meeting or any adjournment(s) or postponement(s) thereof. At the time of printing this Information Circular, management of the Fund was not aware of any such amendment, variation or other matter to come before the Meeting. However, if any such amendment, variation or other matter properly comes before the Meeting, the Units represented by Proxies will be voted on such matters in accordance with the best judgment of the named proxyholder.

Non-Registered Holders

Many of the Units are issued in uncertificated form. Accordingly, most Unitholders are Non-Registered Holders because the Units they own are not registered in their names but are instead registered either: (i) in the name of an intermediary with whom the Non-Registered Holder deals in respect of the Units such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans (an **"Intermediary"**); or (ii) in the name of a clearing agency (such as CDS), of which the Intermediary is a participant. Non-Registered Holders should note that only Proxies deposited by Unitholders whose names appear on the records of the Transfer Agent as the Registered Unitholders can be recognized and acted upon at the Meeting. For example, if Units are listed in an account statement provided to Unitholders by a broker, then in almost all cases those Units will not be registered in such Unitholder's name on the records of the Transfer Agent.

Appointment of Proxies by Non-Registered Holders

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Fund will distribute copies of the Notice of Meeting, this Information Circular and the Proxy to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Intermediaries are then required to forward the materials to the appropriate Non-Registered Holders. Non-Registered Holders will be given, in substitution for the Proxy otherwise contained in the materials, a request for voting instructions (the **"Voting Instruction Form"**) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

These Meeting materials are being sent to both Registered Unitholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Fund or its agent has sent these Meeting materials directly to you, your name and address and information about your holdings of Units have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these Meeting materials to you directly, the Fund (and not the Intermediary holding

on your behalf) has assumed responsibility for (i) delivering these Meeting materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Generally, Non-Registered Holders who have not waived the right to receive Meeting materials will either:

- (a) be given a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Units beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This Proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete the Proxy and deposit it with the Transfer Agent, as described above under “Non-Registered Holders”; or
- (b) more typically, be given a Voting Instruction Form which must be completed and signed by the Non-Registered Holder in accordance with the directions on the Voting Instruction Form. Non-Registered Holders should submit Voting Instruction Forms to Intermediaries in sufficient time to ensure that their votes are received from the Intermediaries by the Fund.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Units they beneficially own. Should a Non-Registered Holder who receives either a Proxy or a Voting Instruction Form wish to virtually attend and vote at the Meeting (or have another person virtually attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the Proxy and insert their own (or such other person’s) name in the blank space provided in the Proxy or, in the case of a Voting Instruction Form, follow the corresponding instructions on the Voting Instruction Form, to appoint themselves as proxyholders, and deposit the Proxy or submit the Voting Instruction Form in the appropriate manner noted above. Non-Registered Holders who appoint proxyholders on their Voting Instruction Form will need to complete, or advise such proxyholders to complete, the request form for a “Control Number” at: <https://www.tsxtrust.com/resource/en/75> and submit the request form to tsxtrustproxyvoting@tmx.com. Without a “Control Number”, proxyholders will not be eligible to vote. **Non-Registered Holders should carefully follow the instructions on the Proxy or Voting Instruction Form that they receive from their Intermediary in order to vote the Units that are held through that Intermediary.**

Non-Registered Holders receiving a Voting Instruction Form cannot use that form to vote Units directly at the Meeting. The Voting Instruction Form must be returned as directed by the applicable Intermediary well in advance of the Meeting in order to have such Units voted. Non-Registered Holders who wish to attend the Meeting and vote their Units virtually at the Meeting (or have another person attend and vote on behalf of the Non-Registered Holder) should contact their Intermediaries well in advance of the Meeting.

You may also vote online by visiting www.voteproxyonline.com, entering your 12-digit “Control Number” and providing your voting instructions.

Revocation of Proxies by Non-Registered Holders

A Non-Registered Holder giving a Proxy may revoke the Proxy by contacting his or her Intermediary in respect of such Proxy and complying with any applicable requirements imposed by such Intermediary. An Intermediary may not be able to revoke a Proxy if it receives insufficient notice of revocation.

UNITS AND PRINCIPAL HOLDERS THEREOF

The Fund is authorized to issue an unlimited number of Units, of which 4,155,477 Class A Units, 5,373,577 Class B Units and 3,387,550 Class C Units are issued and outstanding as at November 7, 2025, the Record Date. As at the Record Date, Daniel Drimmer beneficially owned, directly or indirectly, or exercised control or direction over 15,000 Class B Units and 700,000 Class C Units, representing a voting interest in the Fund of approximately 5.54% (determined on the basis of all Units voting together as a single class). Except as set forth below, no person or company is known to the Fund to beneficially own, or control or direct, directly or indirectly, more than 10% of any class of Units. The data in the table below has been compiled from SEDI and early warning reports available under the Fund's profile on SEDAR+

Name	Number of Units	Percentage Interest in Units
Daniel Drimmer ⁽¹⁾	15,000 Class B Unit	0.28% of Class B Units
	700,000 Class C Units	20.66% of Class C Units
Mark Pathy ⁽²⁾	500,000 Class C Units	14.76% of Class C Units
2387349 Ontario Limited	500,000 Class C Units	14.76% of Class C Units
Arlene Christiansen ⁽³⁾	500,000 Class C Units	14.76% of Class C Units

Notes:

- (1) The Class B Units and Class C Units beneficially owned or controlled by Mr. Drimmer are registered in the name of DDAP, an entity controlled by Mr. Drimmer.
- (2) The Class C Units beneficially owned or controlled by Mr. Pathy are registered in the name of Mavrik Corp., an entity controlled by Mr. Pathy.
- (3) The Class C Units beneficially owned or controlled by Ms. Christiansen are registered in the name of Christiansen Investments Inc., an entity controlled by Ms. Christiansen.

The close of business (Toronto time) on November 7, 2025 has been established as the Record Date for determining Unitholders entitled to receive notice of, and to vote at, the Meeting or any adjournment or postponement thereof. The Fund will cause the Transfer Agent to make a list of all persons who are Registered Unitholders on the Record Date and the number of Units registered in the name of each person on that date. Each Unitholder is entitled to one vote, for each applicable Unit held, on each matter in which such Unitholder is entitled to vote on at the Meeting.

SPECIAL BUSINESS OF THE MEETING

Meeting

The Meeting will be constituted as a special meeting. At the Meeting, Unitholders will be asked to consider and, if thought fit, pass the Transaction Resolution, the full text of which is set forth in Appendix “A”, approving the Transaction (including the DoT Amendments).

At the Meeting, pursuant to the Declaration of Trust and discretionary relief granted by the Canadian Securities Administrators, Unitholders will vote on the Transaction Resolution together as a single class. For more information, see “*Principal Legal Matters—Securities Law Matters*”. To be approved, the Transaction Resolution must receive the affirmative vote of not less than (i) 66⅔% of the votes cast by Unitholders, present virtually or represented by proxy at the Meeting, voting together as a single class; and (ii) a simple majority of the votes attached to the Units cast by Disinterested Unitholders, present virtually or represented by proxy at the Meeting pursuant to MI 61-101, voting together as a single class (subject to receipt of the Exemptive Relief).

Quorum for the Meeting of the Unitholders will be individuals present in person or represented by proxy, not being less than two in number and such persons holding or representing by proxy in aggregate not less than 10% of the total number of outstanding Units.

Virtual-Only Format

The Meeting will be hosted only online by way of a live audio webcast. A summary of the information Unitholders will need to attend the online Meeting is provided below. The Meeting will begin at 10:00 a.m. (Toronto time) on December 12, 2025 and can be accessed online by going to <https://virtual-meetings.tsxtrust.com/1863>. Unitholders will have an opportunity to participate at the Meeting online, regardless of their geographic location, but Unitholders will not be able to physically attend the Meeting. Registered Unitholders and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting. Non-Registered Holders who have not duly appointed themselves as proxyholder will be able to listen to the Meeting as a guest but will not be able to vote or submit questions at the Meeting.

Participation by Registered Unitholders and Duly Appointed Proxyholders

Registered Unitholders that have a 12-digit “Control Number” located on their Proxy, along with duly appointed proxyholders who were assigned a 12-digit “Control Number” by the Transfer Agent (see “*General Proxy Matters—Appointment of Proxies*”), will be able to vote and submit questions during the Meeting.

To vote online during the Meeting,

- Go to <https://virtual-meetings.tsxtrust.com/1863> at least 30 minutes prior to the start of the Meeting to login;
- Click on “I have a control number” and enter your 12-digit “Control Number” along with the password: “sw2025” (case sensitive);
- Accept the terms and conditions of the Meeting (as further described below); and
- Vote during the Meeting.

Registered Unitholders and duly appointed proxyholders using a 12-digit “Control Number” to login to the Meeting will be required to accept the terms and conditions of the Meeting. In such circumstances, Registered Unitholders and duly appointed proxyholders will be provided with the opportunity to vote by online ballot on matters put forth at the Meeting. If a Registered Unitholder or duly appointed proxyholder has already voted by proxy and such Registered Unitholder or duly appointed proxyholder votes again during the online ballot during the Meeting, the previously submitted proxy will be revoked.

It is important that Registered Unitholders and duly appointed proxyholders eligible to vote at the Meeting are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is the responsibility of each Registered Unitholder and duly appointed proxyholder to ensure connectivity for the duration of the Meeting. Registered Unitholders and duly appointed proxyholders should allow ample time before the Meeting’s scheduled start time to log in to the Meeting online and complete the related procedures.

Participation by Non-Registered Holders

Non-Registered Holders who have not appointed themselves to vote at the Meeting but who wish to listen to the Meeting virtually will only be able to do so as a guest by going to <https://virtual-meetings.tsxtrust.com/1863> prior to the start of the Meeting, clicking on “I am a Guest” and completing the online form. Such Non-Registered Holders will be able to listen to the Meeting but will not be able to vote or submit questions.

Voting at the Meeting

A Registered Unitholder or a Non-Registered Holder who has appointed himself/herself or a third-party proxyholder to represent them at the Meeting, will appear on a list of Unitholders prepared by the Transfer Agent. To have the Units of such Unitholders voted at the Meeting, each Registered Unitholder or proxyholder will be required to enter his or her 12-digit “Control Number” provided by the Transfer Agent at <https://virtual-meetings.tsxtrust.com/1863> prior to the start of the Meeting and will be required to accept certain terms and conditions. In order to vote, Non-Registered Holders who appoint themselves as a proxyholder must obtain a request form from <https://www.tsxtrust.com/resource/en/75> and submit the request form to the Transfer Agent at tsxtrustproxyvoting@tmx.com after submitting their Voting Instruction Form in order to receive a 12-digit “Control Number”. See “*General Proxy Matters—Registering a Proxyholder*” above.

Interested Unitholders

The Interested Unitholders will be excluded from voting their Units at the Meeting for the purposes of determining whether minority approval for the Transaction Resolution has been obtained. As at November 7, 2025, the Record Date, the Interested Unitholders beneficially owned or otherwise controlled 1,083,500 Units, representing approximately 8.39% of the 12,916,604 Units issued and outstanding.

BACKGROUND TO THE TRANSACTION

The Fund

The Fund was established as a “closed-end” limited term fund in January 2022. The Fund’s investment objectives are to: (a) directly or indirectly acquire, own, operate and stabilize a portfolio of newer vintage and newly constructed income-producing, multi-family real estate

properties which are geographically diversified across Vancouver Island and the mainland of British Columbia, (b) make stable monthly cash distributions; and (c) enhance earnings from the properties through active asset management, which may include leasing non-stabilized properties, increasing in-place rents to market rents, revenue enhancement through ancillary income opportunities and operating expense reductions, best-in-class property management and economies of scale, with the goal of ultimately directly or indirectly disposing of its interests in the assets.

In pursuing these objectives, the Fund completed its initial public offering in February 2022. The Fund has a portfolio comprising nine multi-family properties across four municipalities with an aggregate of 944 suites. As of August 15, 2025, the Fund's properties had an appraised value of approximately C\$419.4 million. Further details on the Fund's portfolio are set out below:

Property	City	Year Built	# of Suites	Avg. Unit SF	Avg. Rent ⁽¹⁾	Occupancy ⁽¹⁾	Asset Value (millions) ⁽²⁾
733 Goldstream Ave	Langford	2020	60	694	\$2,047	90.0%	\$26.5
1085 Goldstream Ave	Langford	2019	166	660	\$1,898	94.6%	\$69.2
2699 Peatt Rd	Langford	2017	81	753	\$2,031	95.1%	\$34.8
728 Meaford Ave	Langford	2018	106	754	\$2,068	95.3%	\$49.2
5477 200 St	Langley	2016	57	867	\$2,074	94.7%	\$28.1
4745 Ledgerwood Rd	Nanaimo	2022	120	797	\$2,064	99.2%	\$52.3
6035 Linley Valley Dr & 4800 Uplands Dr	Nanaimo	2020	251	832	\$2,180	98.0%	\$119.4
1803 31A St	Vernon	2019	43	915	\$1,975	95.3%	\$16.3
3400 Centennial Dr	Vernon	2018	60	877	\$2,021	95.0%	\$23.7
Total / Average		2019	944	782	\$2,056	96.0%	\$419.4

Notes:

(1) As of September 1, 2025.

(2) As of August 15, 2025. Total sum may differ due to rounding.

SW1 LP was established in December 2020 as a private limited partnership. It completed three private placement offerings and acquired a portfolio of six multi-family properties in British Columbia across five municipalities with an aggregate of 469 suites. As of August 15, 2025, SW1 LP's properties had an appraised value of approximately C\$220.0 million. Further details on SW1 LP's portfolio are set out below:

Property	City	Year Built	# of Suites	Avg. Unit SF	Avg. Rent ⁽¹⁾	Occupancy ⁽¹⁾	Asset Value (millions) ⁽²⁾
2036 South Island Hwy	Campbell River	2019	51	835	\$1,973	100.0%	\$20.1

2338 South Island Hwy	Campbell River	2020	70	821	\$2,074	97.1%	\$27.0
5085 Uplands Dr	Nanaimo	2019	59	767	\$1,928	94.9%	\$23.4
2670 Library Ln	North Vancouver	2020	75	837	\$3,354	92.0%	\$68.6
155 Moilliet St	Parksville	2020	74	829	\$2,001	97.3%	\$29.8
3641 & 3651 Elliott Rd	West Kelowna	2020	140	770	\$1,902	94.3%	\$51.2
Total / Average		2020	469	804	\$2,186	95.5%	\$220.0

Notes:

- (1) As of September 1, 2025.
- (2) As of August 15, 2025. Total sum may differ due to rounding.

Each of the Fund and SW1 LP is actively managed by the Manager, which is an affiliate of Starlight Group.

The time horizon for the Fund was intended to be up to three years, with the initial term scheduled to expire in February 2025, and with two one-year extensions available subject to approval of the Board of Trustees. The term of the Fund may be extended beyond five years only by special resolution of the Unitholders. The Fund's term has been extended to February 22, 2026.

The purpose of the Transaction is, among other things, to consolidate the assets of the Fund and SW1 LP to create a single platform of 15 properties comprising 1,413 multi-family units located in British Columbia with an aggregate value of approximately \$639.4 million. Furthermore, the extended term of the Fund will allow the Manager to continue to actively manage the Properties with the aim of maximizing value for investors through a monetization event during optimal market conditions.

The Transaction

The Business Combination Agreement is a result of negotiations between representatives of the Fund, the Board of Trustees (which was fully independent for purposes of MI 61-101), SW1 LP and their advisors. The following is a summary of the main events leading up to the negotiation of the Business Combination Agreement and the meetings and discussions between the parties that preceded the execution of the Business Combination Agreement and public announcement of the Transaction on October 30, 2025.

In July 2025, the Manager, after a review of the market and seeking potential liquidity events, began considering a combination of the Fund's business with SW1 LP along with a potential capital raise. Further consideration was paused as the Fund and SW1 LP each entered into a non-disclosure agreement with an arm's length third party. Following the termination of such process, in mid-August 2025, the Manager engaged Blake, Cassels & Graydon LLP, counsel to the Fund, and KPMG LLP, to consider the structuring of a potential business combination. Over the course of August, the proposed steps were further refined.

In early September 2025, the Manager proposed the Transaction to the Board, and on September 4, 2025, the Board, counsel to the Fund and management met to discuss the

proposed Transaction and the potential for alternatives thereto. The Board, consisting of Denim Smith, as Chair, Tracy Sherren and Lawrence Wilder, all of whom are independent within the meaning of MI 61-101, determined to adopt a mandate to govern the consideration of the proposed Transaction. The Transaction was initially structured as an acquisition by the Fund of all of the interests of SW1 LP in return for new partnership interests of Holding LP, on a tax-deferred basis.

In mid-September 2025, the Board engaged an appraiser to prepare independent appraisals of the properties of the Fund and SW1 LP, and effective as of September 10, 2025, the Board engaged Blair Franklin to provide an opinion as to fairness of the Transaction, from a financial point of view.

With effect as of September 19, 2025, the Board retained CIBC World Markets Inc. (“**CIBCWM**”) as exclusive financial advisor to the Fund in connection with the Transaction.

On October 6, 2025, CIBCWM initially presented to the Board on the proposed Transaction.

Over the course of September and October 2025, the Fund, the Board, counsel to the Fund, management and CIBCWM met to discuss the Transaction and the structuring thereof, as well as to consider the relative values being ascribed to each of the Fund and SW1 LP. Counsel to the Fund began drafting the Business Combination Agreement.

Subsequently in mid-October 2025, the Transaction was revised to contemplate a transfer of Holding LP to SW1 LP on a tax-deferred basis in exchange for partnership interests in SW1 LP, which was considered administratively less burdensome to the Fund and more cost effective. In addition, the existing three series of SW1 LP Units would be consolidated into a single series, and the SW1 LP Units would be split by a factor that brings their net asset value per unit in line with the Units. Counsel to the Fund and counsel to SW1 LP negotiated the terms of the draft Business Combination Agreement.

On October 29, the Board met to review and consider the proposed Transaction, with representatives from management, CIBCWM, Blair Franklin, and counsel to the Fund in attendance. CIBCWM presented on the Transaction and its terms. Following the presentation by CIBCWM, Blake Cassels & Graydon LLP, counsel to the Fund, provided a summary of the status and terms of the Business Combination Agreement and Transaction steps. Blair Franklin then presented to the Board on the Transaction. Management then left and the Board discussed the Transaction *in camera* with legal counsel, CIBCWM and Blair Franklin. At such time, Blair Franklin orally delivered to the Board the Fairness Opinion (later confirmed by delivery of a written opinion) that as of the date of such opinion and based upon and subject to the limitations, qualifications, assumptions and other matters set out therein, the Consideration to be received by the Fund pursuant to the Transaction is fair, from a financial point of view, to the Fund.

The Board of Trustees, based upon, among other things, and consultation with outside legal counsel and advisors: (a) determined that the Transaction is fair, from a financial point of view, to the Fund; (b) determined that the Transaction is in the best interests of the Fund; (c) approved the Transaction, the entering into of the Business Combination Agreement and related matters, including the DoT Amendments; and (d) determined to **unanimously** recommend that Unitholders vote **IN FAVOUR** of the Transaction Resolution, in each case, subject to the satisfactory finalization of the Business Combination Agreement.

The Business Combination Agreement was finalized and executed and the Fund issued a news release announcing the Transaction on October 30, 2025 prior to the open of markets.

Recommendation of the Board of Trustees

Having received the Fairness Opinion, and having considered a number of other factors, including those noted below, the Board of Trustees **unanimously** concluded that the Transaction is fair, from a financial point of view, to the Fund, and is in the best interests of the Fund. Accordingly, the Board of Trustees **unanimously** approved the Transaction and **unanimously** recommends that the Unitholders vote **IN FAVOUR** of the Transaction Resolution.

Reasons for the Unanimous Recommendation of the Board of Trustees

The Board of Trustees have carefully considered all aspects of the Transaction and have received the benefit of advice from their respective financial and legal advisors. The Board of Trustees identified a number of factors as being most relevant to their respective **unanimous** recommendations to the Unitholders to vote **IN FAVOUR** of the Transaction Resolution.

The Board of Trustees did not consider it practical to, and did not attempt to, assign relative weights to the various factors. In addition, the Board of Trustees and individual members of the Board of Trustees may have given different weight to different factors. The following discussion of the information and factors considered and evaluated by the Board of Trustees is not intended to be exhaustive of all factors considered and evaluated by the Board of Trustees. The conclusions and recommendations of the Board of Trustees were made after considering the totality of the information and factors considered.

- **Slow Property Market:** The Canadian multi-family market is experiencing depressed property-level trading activity and is currently experiencing one of the lowest activity levels in the past seven years. The DoT Amendments, by extending the term of the Fund, give investors the opportunity to seek an exit in a more constructive market environment, benefiting as well from the larger size of the combined portfolio
- **Enhanced Diversification:** The Transaction will provide greater scale and diversification of assets to unitholders of both the Fund and SW1 LP, including increased cash flow stability and risk-adjusted return potential. Each of the Fund and SW1 LP will now also have greater geographic diversification across British Columbia. Following the Transaction, the combined portfolio will aggregate to 15 properties across eight municipalities, with 1,413 total suites and a combined value of \$639.4 million. In addition, the combined portfolio will have greater geographic diversification, with only one municipality of overlap between the Fund and SW1 LP.
- **Greater Scale and Exit Opportunities:** The scaled portfolio increases exit opportunities including attracting platform buyers (private equity or pension funds) and a potential public listing. The Transaction provides for the potential to generate a larger portfolio premium on exit to enhance returns.
- **Enhanced Access to Capital:** The scaled portfolio allows for access to increased borrowing capacity, greater efficiency and flexibility with respect to asset financing. The Transaction has the potential to result in a lower cost of borrowing given a broader pool of security.

- **Increased Operational Efficiencies:** The Transaction has the potential to lead to greater cost efficiencies and streamlined reporting requirements.
- **Tax Implications of the Transaction:** The Board of Trustees considered the tax implications of the Transaction, including that the Transaction could be completed on a tax-deferred basis, ensuring no taxes were triggered for either the Fund or SW1 LP or their respective investors. See “*Certain Canadian Federal Income Tax Considerations*”.
- **Fairness Opinion:** The Board of Trustees received the Fairness Opinion from Blair Franklin to the effect that, as of the date of such opinion and based upon and subject to the limitations, qualifications, assumptions and other matters set out therein, the Consideration to be received by the Fund pursuant to the Transaction is fair, from a financial point of view, to the Fund. See “*Background to the Transaction—Blair Franklin Capital Partners Inc. Fairness Opinion*” and Appendix “B” to this Information Circular.
- **Appraisals:** The Board of Trustees received the Appraisals in respect of the Fund’s and SW1 LP’s properties. The net asset values ascribed to each of the Fund and SW1 LP for determining the terms of the Transaction are based upon the Appraisals, which were completed on a similar basis and allowed for comparability across the portfolio. See “*Background to the Transaction—Appraisals*” to this Information Circular.
- **Timing for Completion:** The terms and conditions of the Business Combination Agreement, including the covenants of the Fund and conditions to completion of the Transaction, are, in the judgment of the Board of Trustees, after consultation with its advisors, reasonable and can be achieved within the timeframe contemplated by the Business Combination Agreement, with closing expected to occur in December 2025.
- **Unitholder Approval:** The Transaction Resolution must be approved by (i) at least 66⅔% of votes by Unitholders, voting as a single class, present virtually or represented by proxy at the Meeting, and (ii) a simple majority of votes attached to the Units held by Disinterested Unitholders, voting as a single class (subject to receipt of the Exemptive Relief), present virtually or represented by proxy at the Meeting. See “*Special Business of the Meeting*”.
- **Termination of the Business Combination Agreement:** The Fund and SW1 LP have the right to terminate the Business Combination Agreement in certain circumstances.

In addition to the foregoing, the Board of Trustees also considered a variety of risks and other potentially negative factors relating to the Transaction including those matters described under the heading “*Risk Factors*”. The Board of Trustees’ reasons contain forward-looking information, and are subject to various risks and assumptions. See “*Caution Regarding Forward-Looking Statements and Information*”.

Blair Franklin Capital Partners Inc. Fairness Opinion

Blair Franklin was requested to provide an opinion concerning the fairness, from a financial point of view, of the Transaction to the Fund. In connection with this mandate, Blair Franklin prepared verbally and delivered the Fairness Opinion on October 29, 2025 to the Board of Trustees to the effect that, in the opinion of Blair Franklin, as of the date of such opinion and based upon and subject to the limitations, qualifications, assumptions and other

matters set out therein, the Consideration to be received by the Fund pursuant to the Transaction is fair, from a financial point of view, to the Fund.

The full text of the written Fairness Opinion, dated October 29, 2025, setting out the assumptions made, matters considered and limitations and qualifications of the review undertaken by Blair Franklin in connection with the Fairness Opinion, is attached as Appendix “B” to this Information Circular and should be read carefully in its entirety. The summaries of the Fairness Opinion in this Information Circular are qualified in their entirety by reference to the full text of the Fairness Opinion. The Fairness Opinion is not a recommendation as to how any Unitholder should vote with respect to the Transaction or any other matter.

The Fairness Opinion was one of many factors considered by the Board of Trustees in evaluating the Transaction in determining that the Transaction is in the best interests of the Fund, and the Board of Trustees **unanimously** recommending that Unitholders vote **IN FAVOUR** of the Transaction Resolution.

Pursuant to the terms of the engagement letter entered into by the Fund and Blair Franklin, Blair Franklin received a fixed fee for rendering the Fairness Opinion, with such fixed fee being payable regardless of the conclusion reached in the Fairness Opinion and whether or not the Transaction is completed. The Fund has also agreed to indemnify Blair Franklin from and against certain liabilities and to reimburse Blair Franklin for its expenses incurred in connection with Blair Franklin’s mandate. Furthermore, Blair Franklin has not been asked to prepare and has not prepared a formal valuation or appraisal of any of the assets or securities of the Fund and the Fairness Opinion should not be construed as such. Blair Franklin provided the Fairness Opinion for the use of the Board of Trustees in connection with their evaluation of the Transaction, and the Fairness Opinion may not be used by any other person or relied upon by any other person other than the Board of Trustees without the express prior written consent of Blair Franklin.

In the ordinary course of its business and unrelated to the Transaction, Blair Franklin or its affiliates may provide financial advisory and other financial services to the Fund, Starlight Group, the Manager and/or other interested parties in the Transaction in the future, for which Blair Franklin or its affiliates may receive compensation.

Blair Franklin has not been engaged to provide any financial advisory services with respect to the Transaction.

In deciding to recommend and approve the Transaction, the Board of Trustees considered, among other things, the Fairness Opinion. The Fairness Opinion was only one of many factors considered by the Board of Trustees in evaluating the Transaction and should not be viewed as determinative of the views the Board of Trustees with respect to the Transaction. In assessing the Fairness Opinion, the Board of Trustees considered and assessed the independence of Blair Franklin.

The Board of Trustees urge Unitholders to read the Fairness Opinion in its entirety. See Appendix “B” to this Information Circular.

Appraisals

A copy of each Appraisal has been filed by the Fund under its issuer profile on SEDAR+ at www.sedarplus.ca and are available for inspection at, or will be sent to a Unitholder without charge upon request to the Fund’s head office located at 3280 Bloor Street West, Suite 1400,

Centre Tower, Toronto, Ontario M8X 2X3, Attention: Miriam Levin, Executive Vice President, General Counsel (telephone: (416) 234-8444). The following is a summary of the Appraisals but is not intended to be complete and is qualified in its entirety by reference to the full text of each Appraisal. Please refer to the Appraisals for a full description of the terms and conditions thereof.

The Board retained the Appraiser to provide an independent appraisal of the fair market value of each of the properties of both the Fund and SW1 LP (collectively, the “**Appraisals**”). The Appraisals were each completed with an effective date of August 15, 2025.

Based on the Appraisals, the estimated market value of each of the properties is as follows:

Property	Estimated Value (\$)
SW1 LP	
2036 South Island Hwy	20,050,000
2338 South Island Hwy	27,030,000
5085 Uplands Dr	23,370,000
2670 Library Ln	68,630,000
155 Moilliet St	29,770,000
3641 & 3651 Elliott Rd	51,170,000
SW1 LP Sub-Total	\$220,020,000
Fund	
733 Goldstream Ave	26,540,000
1085 Goldstream Ave	69,190,000
2699 Peatt Rd	34,810,000
728 Meaford Ave	49,170,000
5477 200 St	28,070,000
4745 Ledgerwood Rd	52,260,000
6035 Linley Valley Dr & 4800 Uplands Dr	119,380,000
1803 31A St	16,260,000
3400 Centennial Dr	23,700,000
Fund LP Sub-Total	\$419,380,000
Total	\$639,400,000

The Appraisals were prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and Standards of

Professional Appraisal Practice, each as adopted by the Appraisal Institute of Canada. The Appraisal Institute of Canada defines “market value” as used in the Appraisal as “the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus”. Implicit in this definition of market value is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (i) buyer and seller are typically motivated; (ii) both parties are well informed or well advised, and acting in what they consider their own best interests; (iii) a reasonable time is allowed for exposure in the open market; (iv) payment is made in terms of cash in Canadian dollars or in financial arrangements comparable thereto; and (v) the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale (the foregoing collectively referred to as, the “**Canadian Appraisal Standards**”).

The estimated market value of each of the properties was determined by the Appraiser using the income approach (direct capitalization method) and the direct comparison approach. These are traditional valuation methods that are used widely by investors when acquiring properties of this nature. The Appraisals state that the appraisals and analyses were performed in accordance with Canadian Appraisal Standards. The Appraisals are subject to a number of assumptions and limiting conditions. In particular, in appraising the properties, the Appraiser noted that unless otherwise stated in a particular Appraisal, the Appraiser has no knowledge of any hidden or unapparent conditions of the applicable property, legal matters, questions of survey, opinions of title or adverse environmental conditions that would make the property more or less valuable, and it has been assumed that there are no such conditions unless observed at the time of inspection or became apparent during the normal research. No survey of a property has been made and the Appraiser is not responsible for matters of a legal nature that affect the property or title to it. The properties were valued on the basis that there were no outstanding liabilities except as expressly noted in each Appraisal, and that the real estate complies in all material respects with any restrictive covenants affecting the sites and have been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law.

In determining the approximate market value of the properties, the Appraiser relied on certain operating and financial data provided by the Manager, comprised of rent rolls, operating income and operating income and expense budgets, as well as third party and market data.

In general, appraisals such as the Appraisals represent only the analysis and opinion of qualified experts as of the effective date of such appraisal and are not guarantees of present or future value. There is no assurance that the assumptions employed in determining the appraised value of the properties is correct as of the date of the Appraisals or that such valuations actually reflect an amount that would be realized upon a current or future sale of any of the properties or that any projections included in the Appraisals will be attainable. In addition, the Appraisals each have an effective date of August 15, 2025. As prices in the real estate market fluctuate over time in response to numerous factors, the estimate of the aggregate value of the properties shown on the Appraisals may be an unreliable indication of the current market value of the properties

Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The Appraisals are based on various assumptions of future expectations and while the Appraiser’s internal forecasts of NOI for the properties are considered to be reasonable at

the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

Building Condition Assessments

In accordance with the requirements of the Declaration of Trust, building condition assessment reports ("**BCA Reports**") were prepared for each of the properties of SW1 LP by an independent consulting service for the purposes of ascertaining the overall condition of such properties and the continued operation thereof, recommending any repairs or corrective actions and verifying compliance with governing legislation. The reports were prepared in accordance with applicable, generally accepted assessment practices and in accordance with ASTM Designation: E 2018-24 Standard Guideline for Property Assessments: Baseline Condition Assessment Process.

155 Moilliet Street, Parksville, BC

The BCA Report for 155 Moilliet Street, Parksville, BC was completed on September 29, 2025. The report states that there are no capital expenditures required in the investment horizon.

2036 South Island Highway, Campbell River, BC

The BCA Report for 2036 South Island Highway, Campbell River, BC was completed on September 30, 2025. The report states that there are no capital expenditures required in the investment horizon.

2338 South Island Highway, Campbell River, BC

The BCA Report for 2338 South Island Highway, Campbell River, BC was completed on September 30, 2025. The report states that there are no capital expenditures required in the investment horizon.

2670 Library Lane, North Vancouver, BC

The BCA Report for 2670 Library Lane, North Vancouver, BC was completed on September 29, 2025. The report states that there are no capital expenditures required in the investment horizon.

3641 & 3651 Elliot Road, West Kelowna, BC

The BCA Report for 3641 & 3651 Elliot Road, West Kelowna, BC was completed on September 30, 2025. The report states that there is \$10,000 worth of anticipated capital expenditures required in the investment horizon.

5085 Uplands Drive, Nanaimo, BC

The BCA Report for 5085 Uplands Drive, Nanaimo, BC was completed on September 30, 2025. The report states that there is \$10,000 worth of anticipated capital expenditures required in the investment horizon.

Environmental Site Assessments

In accordance with the requirements of the Declaration of Trust, each of the six properties of SW1 LP has been the subject of a Phase I environmental site assessment report prepared by an independent environmental consultant. The reports for each of 155 Moilliet Street, Parksville, BC, 2036 South Island Highway, Campbell River, BC, 2338 South Island Highway, Campbell River, BC, 2670 Library Lane, North Vancouver, BC, 3641 & 3651 Elliot Road, West Kelowna, BC and 5085 Uplands Drive, Nanaimo, BC were each issued on October 1, 2025. The purpose of these Phase I environmental site assessment reports was to identify any recognized environmental conditions associated with the properties. The reports were prepared in general accordance with the guidelines set forth in the *Contaminated Sites Regulation* under the British Columbia *Environmental Management Act*.

Each report indicated that nothing was identified that is likely to result in potential subsurface impacts at the properties. As such, no subsurface investigation work (Phase II environmental assessment) is recommended at this time.

The Manager is not aware of any non-compliance with environmental laws at any of the properties of SW1 LP or the Fund that would have a material adverse effect on the Fund. The Manager is not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of the properties that would materially adversely affect the Fund or the values of the properties, taken as a whole, as determined pursuant to the Appraisals discussed above.

THE TRANSACTION

Required Unitholder Approval

The Transaction Resolution must be approved by at least 66⅔% of the votes cast by Unitholders, voting together as a single class, present virtually or represented by proxy at the Meeting. As the Transaction constitutes a “related party transaction” for the purposes of MI 61-101, the Transaction Resolution must also be approved by a simple majority of the votes attached to the Units cast by Disinterested Unitholders, voting together as a single class (subject to receipt of the Exemptive Relief), present virtually or represented by proxy at the Meeting pursuant to MI 61-101. For more information, see “*Principal Legal Matters—Securities Law Matters*”. In the event that the Exemptive Relief is not received prior the vote on the Transaction Resolution at the Meeting, the vote will be conducted with each class of Units voting separately as a class.

To the knowledge of the Fund, after reasonable inquiry, as at November 7, 2025, the Record Date, there were 1,083,500, Units beneficially owned or controlled or directed by Interested Unitholders, representing approximately 8.39% of the 12,916,604 Units issued and outstanding.

Transaction

If the Transaction is consummated, among other things, the Fund will transfer its limited partnership interest in the subsidiary through which it owns the interests in its properties, Holding LP, to SW1 LP, in return for a new class of limited partnership units of SW1 LP. Starlight Group will then transfer the shares of the general partner of SW1 LP to the Fund. The value of the interests in Holding LP and the value of the units of SW1 LP to be issued as consideration therefor will be based on the relative net asset values of the Fund and SW1 LP, determined on the basis

of third party appraisals. As a result of the foregoing, the Fund is expected to own an approximate 60.3% interest in the combined pool of assets (through ownership of the SW1 LP Class C Units) while the remaining limited partners of SW1 LP will own an approximate 39.7% interest (including the SW1 LP Class A Units issued to DDAF on settlement of the SW1 LP carried interest and the Fund carried interest, each as described below) in the combined pool of assets, in each case on a net asset value basis.

Set out below is a summary of the pre-transaction gross net asset values (before deduction of the carried interest payable) per unit of each class of SW1 LP Units and Units, which net asset values were used to determine the relative interests of the Fund and SW1 LP, as noted above:

Unit Class	Fund	Units Outstanding ⁽¹⁾	Current Ownership (%) ⁽²⁾	Pre-Transaction net asset value per Unit ⁽³⁾⁽⁴⁾⁽⁵⁾
Class A, Series 1	SW1 LP	73,515	15.2%	\$193.44
Class B, Series 1	SW1 LP	200,590	40.2%	\$188.09
Class A, Series 2	SW1 LP	39,585	8.2%	\$193.44
Class B, Series 2	SW1 LP	108,010	21.7%	\$188.09
Class A, Series 3	SW1 LP	24,250	5.0%	\$194.80
Class B, Series 3	SW1 LP	48,250	9.7%	\$188.95
Class A	Fund	4,155,477	32.4%	\$11.43
Class B	Fund	5,373,577	40.6%	\$11.08
Class C	Fund	3,387,550	27.0%	\$11.70
Sub-Total – SW1 LP			100.0%	\$93.8 million
Sub-Total – Fund			100.0%	\$146.7 million
Total				\$240.4 million

Notes:

- (1) As of October 29, 2025.
- (2) Ownership percentage of each class and series as applicable of the Fund or SW1 LP, respectively.
- (3) SW1 LP Units were initially issued at \$100.00 per SW1 LP Unit, while Units were initially issued at \$10.00 per Unit.
- (4) Net of initial broker / agent fees and commissions.
- (5) Based on the draft unaudited September 30, 2025 balance sheets of both the Fund and SW1 LP; adjusted to reflect the fair market value of investment properties based on the August 15, 2025 appraisals, reduced cash balance from transaction costs from the proposed Transaction, and the removal of deferred financing costs.

The carried interest in both Funds that is owned by an affiliate of Starlight Group each will be settled (as described in more detail below under “—*Transaction Mechanics*”) by way of the issuance of limited partnership units of SW1 LP to such affiliate of Starlight Group at a per unit price equal to the applicable net asset value of a Class A unit of SW1 LP. Based on the foregoing pre-Transaction net asset values per unit of each class and series of units of SW1 LP and the Fund, the total gross return of SW1 LP from inception of SW1 LP is approximately \$53.9 million and the SW1 Carried Interest Value is approximately \$10.2 million, while the total gross return of the Fund from inception is approximately \$36.6 million and the Fund Carried Interest Value is approximately \$1.6 million. Accordingly, set out below is a summary of the pro forma ownership of the Fund and SW1 LP upon completion of the Transaction:

Unit Class	Fund	Net NAVs per unit ⁽¹⁾	Total net NAV (C\$ 000s)	Ownership (%)
Class A, Series 1	SW1 LP	\$173.48	\$12,753	5.3%
Class B, Series 1	SW1 LP	\$168.13	\$33,725	14.0%
Class A, Series 2	SW1 LP	\$173.32	\$6,861	2.9%
Class B, Series 2	SW1 LP	\$167.98	\$18,143	7.5%
Class A, Series 3	SW1 LP	\$169.56	\$4,112	1.7%
Class B, Series 3	SW1 LP	\$164.17	\$7,921	3.3%
Class A	Fund	\$11.30	\$46,965	19.5%
Class B	Fund	\$10.95	\$58,867	24.5%
Class C	Fund	\$11.57	\$39,180	16.3%
SW1 Carried Interest Value	SW1 LP	n/a	\$10,247	4.3%
Fund Carried Interest Value	Fund	n/a	\$1,649	0.7%
Total			\$240,424	100.0%

Notes:

- (1) Net of the SW1 Carried Interest Value and Fund Carried Interest Value; assumes existing distributions per unit are last paid on November 15, 2025.

After giving effect to the steps to the Transaction set out under “—*Transaction Mechanics*” below, including the issuance of SW1 LP Class A Units in settlement of the carried interest in each of SW1 LP and the Fund and the administrative changes described in step 8 below, the following is an indicative pro forma composition of the merged platform:

Unit Class	Fund	Resulting Units Outstanding ⁽¹⁾ (2)	NAV per Unit	Total NAV (C\$ millions)	Ownership (%)
Class A	SW1 LP	3,079,959	\$11.57	\$35.6	14.8%
Class B	SW1 LP	5,333,880	\$11.21	\$59.8	24.9%
Class A	Fund	4,155,477	\$11.30	\$47.0	19.5%
Class B	Fund	5,373,577	\$10.95	\$58.9	24.5%
Class C	Fund	3,387,550	\$11.57	\$39.2	16.3%
Total		21,330,443		\$240.4	100.0%

Notes:

- (1) After giving effect to the subdivision of SW1 LP Units and the collapse of the series of SW1 LP described in step 8 of “—*Transaction Mechanics*” below. The SW1 LP Class C Units are not shown as they represent the Fund’s interest in SW1 LP and therefore the indirect interest of Unitholders of the Fund in SW1 LP.
- (2) Includes SW1 LP Class A Units issued in settlement of the SW1 Carried Interest Value and Fund Carried Interest Value.

As part of the Transaction, an affiliate of Starlight Group will be issued Special LP Units representing the go-forward carried interest in the consolidated platform, which will accumulate based on a new minimum return of 8% achieved by unitholders in the consolidated structure including a return of capital equal to the net asset values of their classes of units at closing of the Transaction and will be subject to a 50 / 50 catch up. See also “*Pro Forma Description of SW1 LP—Distributions*” and “*Glossary of Terms—Special LP Units*”.

In connection with the Transaction, the Fund and SW1 LP are in the process of amending their existing second mortgages with a Canadian chartered bank on six assets in order to

amalgamate all six existing facilities currently totalling \$24.4 million (at max draw) into one facility and extending the maturity date to December 2028, adding two new properties to the security pool to increase the loan proceeds by \$9.4 million, and the provision of a new “Tranche B” revolving facility of up to \$20.0 million on the pro forma eight asset security pool. The Transaction is not conditional on any changes to the existing indebtedness of the Fund and there is no guarantee that the amendments and extension will be completed. For further details on the pro forma indebtedness of the Fund following the Transaction, see “*Pro Forma Capitalization of the Fund*”.

Transaction Mechanics

The following summarizes the steps which will occur under the Transaction, if all conditions to the implementation of the Transaction have been satisfied or waived. The following description of steps is qualified in its entirety by the full text of the Business Combination Agreement, a copy of which has been filed by the Fund under its issuer profile on SEDAR+ at www.sedarplus.ca. Capitalized terms used in this section but not defined have the meanings given in the Business Combination Agreement.

The Business Combination Agreement provides that the Fund and SW1 LP will effect the combination of their respective businesses and assets by way of the following steps, commencing at the Effective Time occurring sequentially at five minute intervals in the order set out below, except where otherwise stated:

1. **Amendment of Declaration of Trust.** The DoT Amendments shall be implemented.
2. **Amendment of SW1 LP LPA.** The SW1 LP Limited Partnership Agreement shall be amended (the “**SW1 LPA Amendments**”) (i) as necessary to facilitate the transactions contemplated by the Business Combination Agreement, (ii) to provide, effective following the settlement of SW1 LP’s existing carried interest as described in Step 3 below, for distributions to limited partners of SW1 LP on a proportionate basis similar to that of the Fund based on the number of units of each class held by a limited partner, (iii) create Special LP Units and establish the “carried interest” entitlements to be evidenced thereby, (iv) create the SW1 LP Class C Units (which will be issued to the Fund as consideration for the transfer of Holding LP to SW1 as described in Step 4 below), (v) to reflect terms expected for the limited partnership agreement of SW1 LP as a subsidiary of the Fund, a reporting issuer, as a result of the Fund’s ownership of SW1 GP and a majority interest in SW1 LP, and (vi) consequential and housekeeping amendments relating to the foregoing.
3. **Settlement of SW1 LP Carried Interest.** DDAP, in its capacity as Initial Limited Partner (as defined in the SW1 LP Limited Partnership Agreement), shall exchange its entitlement to the distributions set out in Section 8.4 of the SW1 LP Limited Partnership Agreement (being the carried interest in SW1 LP) in return for the issuance by SW1 LP to DDAP of SW1 LP Class A Units of a new series at the Applicable Net Asset Value per SW1 LP Class A Unit having an aggregate value equal to the SW1 Carried Interest Value and 100 Special LP Units.
4. **Sale of Holding LP Class A Units.** The Fund will transfer all of the Holding LP Class A Units and the shares of the Holding GP to SW1 LP in exchange for the issuance by SW1 LP to the Fund of SW1 LP Class C Units at the Applicable Net Asset Value per SW1 LP Class C Unit having an aggregate value equal to aggregate of the Applicable

Net Asset Values per Fund Unit of all of the issued and outstanding Fund Units. The Fund and SW1 LP will elect under subsection 97(2) of the Tax Act for such transfer to occur on a tax-deferred “rollover” basis for Canadian federal income tax purposes.

5. **Settlement of Fund Carried Interest.** DDAP will transfer all of the Holding LP Class B Units (being the carried interest in the Fund) to SW1 LP in exchange for the issuance by SW1 LP to DDAP of SW1 LP Class A Units of a new series at the Applicable Net Asset Value per SW1 LP Class A Unit having an aggregate value equal to the Fund Carried Interest Value. DDAP and SW1 LP will elect under subsection 97(2) of the Tax Act for such transfer to occur on a tax-deferred “rollover” basis for Canadian federal income tax purposes.
6. **Amendment of Holding LP Agreement.** The Holding LP Agreement shall be amended and restated to: (i) cause the exchange or conversion of the Holding LP Class B Units into a number of Holding LP Class A Units having an aggregate fair market value equal to the Fund Carried Interest Value, (ii) remove the provisions relating to “carried interest” attributable to Holding LP Class B Units, and (iii) reflect that Holding LP has become a wholly-owned subsidiary of SW1 LP.
7. **Sale of SW1 GP to the Fund.** Starlight Group will transfer the shares of SW1 GP to the Fund for \$100.00 in cash.
8. **Administrative Changes to SW1 LP.** SW1 LP and SW1 GP shall take such steps as are necessary such that (i) the SW1 LP Class A Units will be subdivided such that the Applicable Net Asset Value of an SW1 LP Class A LP Unit is equal to the Applicable Net Asset Value of a Class C Unit, (ii) the SW1 LP Class B Units shall be subdivided by an equivalent ratio, (iii) the SW1 LP Class C Units shall be subdivided by an equivalent ratio, and (iv) the SW1 LP Class A Units and SW1 LP Class B Units shall be collapsed to reflect a single series of SW1 LP Class A Units and a single series of SW1 LP Class B Units.

SW1 LP Units were initially issued at \$100.00 per SW1 LP Unit, while Units of the Fund were issued at \$10.00 per Unit. The administrative changes described in step 8 above are for administrative purposes to allow for easier comparability of returns and values across the consolidated platform, with the SW1 LP Units being subdivided in order to achieve an equivalent value per SW1 LP Class A Unit and Class C Unit of the Fund, with consequent changes to other classes of units, while preserving the relative net asset values of each of the Fund and SW1 LP. The SW1 LP Units were also issued in series, reflecting the time at which they were issued, resulting in different SW1 Carried Interest Values for each series of each class of SW1 LP Units. As a result of the Transaction, including the settlement off the existing SW1 carried interest and the issuance of Special LP Units to reflect a new, go-forward carried interest, there is no longer a need for multiple series of SW1 LP Units. The collapse of the series into one is also for administrative purposes and for the same objectives noted above.

Following closing of the Transaction, the management agreement of SW1 LP will be terminated and the Management Agreement will be amended and restated to give effect to the Transaction, including capturing SW1 LP. SW1 LP and the Fund currently pay management fees to the Manager in an equivalent manner and the foregoing termination and amendment and restatement will not alter the fees payable and is primarily for administrative purposes and to avoid duplication of fees. See “*Management Agreement*”.

DoT Amendments

Approval of the Transaction Resolution also approves amendments to the Declaration of Trust (the “**DoT Amendments**”) which are necessary to (i) permit and facilitate each of the transactions contemplated in the Transaction, (ii) extend the term of the Fund by two years, with two one year extensions at the discretion of the Board of Trustees, starting as of the Effective Date, (iii) permit the Board of Trustees of the Fund to offer for sale on a one-time basis additional Units on a public offering and/or private placement basis within 18 months of the Effective Date to raise proceeds not exceeding 25% of the market capitalization of the Fund (including the value of the SW1 LP Units at such time), and permit the Board of Trustees of the Fund to further amend the Declaration of Trust to facilitate such offering of Units, and (iv) consequential and housekeeping amendments relating to the foregoing matters. If the Transaction Resolution is approved, the DoT Amendments will be implemented as part of the steps of the Transaction as set out under “—*Transaction Mechanics*” above.

THE BUSINESS COMBINATION AGREEMENT

Summary of the Business Combination Agreement

The Business Combination Agreement has been filed on the Fund’s issuer profile on SEDAR+ at www.sedarplus.ca. The following is a summary of certain provisions of the Business Combination Agreement but is not intended to be complete. Please refer to the Business Combination Agreement for a full description of the terms and conditions thereof. Capitalized terms used in this section but not defined have the meanings given in the Business Combination Agreement.

Conditions

Conditions Precedent to the Obligations of the Fund

The Fund is not required to complete the Transaction unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Fund and may only be waived, in whole or in part, by the Fund in its sole discretion:

1. **Required Approvals.** SW1 LP shall have obtained the approval of the SW1 LP unitholders, in accordance with the SW1 LP Limited Partnership Agreement for this Business Combination Agreement and the transactions contemplated thereby.
2. **Representations and Warranties.** The representations and warranties of SW1 LP contained in the Business Combination Agreement will be true and correct at the Effective Time, with the same force and effect as if such representations and warranties were made at and as of such date (except the representations and warranties of SW1 LP qualified by materiality or Material Adverse Effect qualifications which shall be true and correct in all respects and all other representations and warranties of SW1 LP shall be true and correct in all material respects, in each case as of the Effective Time as if made on and as of such date except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be accordingly true and correct as of such earlier date, or except as affected by transactions specifically permitted or contemplated by the Business Combination Agreement), and a certificate of the sole director of SW1 GP dated the Effective Date will have been delivered to the Fund confirming the foregoing.

3. *Covenants.* All of the terms, covenants and conditions of the Business Combination Agreement to be complied with or performed by SW1 LP at or before the Effective Time will have been complied with or performed (except to the extent that the failure to comply with such covenants has not resulted in or would not result in, individually or in the aggregate, a Material Adverse Effect or prevent or delay the completion of the Transaction or the other transactions contemplated in the Business Combination Agreement) and a certificate of the director of SW1 LP dated the Effective Date will have been delivered to the Fund confirming the foregoing.
4. *Regulatory Consents.* There will have been obtained, from all relevant Governmental Entities, such authorizations as are required to be obtained by SW1 LP and the Fund to consummate the Transaction.
5. *No Action or Proceeding.* No *bona fide* legal or regulatory action or proceeding will be pending or threatened by any Person to enjoin, restrict or prohibit the Transaction or any other of the transactions contemplated by the Transaction, or the right of the Fund or SW1 LP to conduct, expand, and develop their business.
6. *No Material Adverse Effect.* There will have been no Material Adverse Effect since the date of the Transaction and a certificate of the director of SW1 GP dated the Effective Date to that effect will have been delivered to the Fund.

Conditions Precedent to the Obligations of SW1 LP

SW1 LP is not required to complete the Transaction unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of SW1 LP and may only be waived, in whole or in part, by SW1 LP in its sole discretion:

1. *Required Approvals.* The Fund shall have obtained the approval of the Transaction Resolution.
2. *Representations and Warranties.* The representations and warranties of the Fund contained in the Business Combination Agreement will be true and correct at the Effective Time, with the same force and effect as if such representations and warranties were made at and as of such date (except the representations and warranties of the Fund qualified by materiality or Material Adverse Effect qualifications which shall be true and correct in all respects and all other representations and warranties of the Fund shall be true and correct in all material respects, in each case as of the Effective Time as if made on and as of such date except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be accordingly true and correct as of such earlier date, or except as affected by transactions specifically permitted or contemplated by the Business Combination Agreement), and a certificate of the Chief Executive Officer and the Chief Financial Officer of the Fund dated the Effective Date will have been delivered to SW1 LP confirming the foregoing.
3. *Covenants.* All of the terms, covenants and conditions of the Business Combination Agreement to be complied with or performed by the Fund at or before the Effective Time will have been complied with or performed (except to the extent that the failure to comply with such covenants has not resulted in or would not result in, individually or in the aggregate, a Material Adverse Effect or prevent or delay the completion of the

Transaction or the other transactions contemplated by the Business Combination Agreement), and a certificate of the Chief Executive Officer and the Chief Financial Officer of the Fund dated the Effective Date will have been delivered to SW1 LP confirming the foregoing.

4. *Regulatory Consents.* There will have been obtained, from all relevant Governmental Entities, such authorizations as are required to be obtained by SW1 LP and the Fund to consummate the Transaction.
5. *Contractual Consents.* The Fund will have given or obtained the notices, consents and approvals referred to in Section 6.06(f) of the Business Combination Agreement, in each case in form and substance satisfactory to the Fund, acting reasonably.
6. *No Action or Proceeding.* No bona fide legal or regulatory action or proceeding will be pending or threatened by any Person to enjoin, restrict or prohibit the Transaction or any other of the transactions contemplated by the Business Combination Agreement, or the right of the Fund or SW1 LP to conduct, expand, and develop their business.
7. *Material Adverse Effect.* There will have been no Material Adverse Effect and a certificate of the Chief Executive Officer and the Chief Financial Officer of the Fund dated the Effective Date to that effect will have been delivered to SW1 LP.

Acknowledgement by Starlight Group and DDAP

Each of Starlight Group and DDAP have acknowledged, agreed and covenanted to take all actions set out in the Business Combination Agreement by either of them necessary to consummate the Transaction (primarily relating to the transfers of interests to settle the carried interests in the Fund and SW1 LP and the transfer of the shares of the general partner of SW1 LP to the Fund) in the event that SW1 LP and the Fund are each satisfied that all conditions to consummation of the Transaction set out in the Business Combination Agreement have been satisfied or waived.

Representations and Warranties

The Business Combination Agreement contains a number of customary representations and warranties of the Fund and SW1 LP relating to, among other things: organization and qualification; authorization; execution and binding obligations; organizational documents; bankruptcy; absence of conflict; capital stock; options and other convertible securities; pre-emptive rights; unitholders' and similar agreements; financial statements; absence of certain changes; internal controls over financial reporting; restrictions on activities; extent of liabilities; non-arm's length transaction; guarantees; intellectual property; personal property; real property; taxes and governmental charges; environmental matters; litigation; compliance with Laws; employment matters and employee plans; insurance; authorization; fees and commissions; books and records, restrictions on transaction; other agreements; cease trading orders; reporting issuer status; and off-balance sheet arrangements.

Covenants

Interim Period Covenants – SW1 LP

SW1 LP has agreed with the Fund to provide it access to its records, management and property as needed by the Fund. In addition, SW1 LP has agreed to conduct its business in the ordinary course, and not to enter into any transaction that would, if effected, constitute a breach of a representation, warranty or covenant of SW1 LP, to notify the Fund of any material adverse effect, to take all necessary action to complete the Transaction and obtain any necessary consents, and has agreed to certain restrictive covenants on the operation of its business prior to closing of the Transaction.

SW1 LP has also agreed to a standstill until termination of the Business Combination Agreement from undertaking or negotiating any transaction that would conflict with the Transaction.

Interim Period Covenants – The Fund

The Fund has agreed with SW1 LP to provide it access to its records, management and property as needed by SW1 LP. In addition, the Fund has agreed to conduct its business in the ordinary course, and not to enter into any transaction that would, if effected, constitute a breach of a representation, warranty or covenant of the Fund, to notify SW1 LP of any material adverse effect, to take all necessary action to complete the Transaction and obtain any necessary consents, and has agreed to certain restrictive covenants on the operation of its business prior to closing of the Transaction.

The Fund has also agreed to a standstill until termination of the Business Combination Agreement from undertaking or negotiating any transaction that would conflict with the Transaction.

Termination

The Business Combination Agreement may be terminated prior to the Effective Time by:

1. the mutual written agreement of the Fund and SW1 LP;
2. either of the Fund or SW1 LP by notice to the other party if a Governmental Entity has notified either party in writing that it will not permit the Transaction to proceed;
3. either of the Fund or SW1 LP by notice to the other if there has been a misrepresentation, breach or non-performance by the breaching party of any representation, warranty, covenant or obligation contained in this Agreement, which could reasonably be expected to have a Material Adverse Effect on the terminating party or the ability of either party to complete the Transaction in accordance with the terms of this Agreement, provided the breaching party has been given notice of and ten (10) days to cure any such misrepresentation, breach or non-performance;
4. the Fund in the event that SW1 LP fails to satisfy the conditions precedent to the obligations of the Fund;

5. SW1 LP in the event that the Fund fails to satisfy the conditions precedent to the obligations of SW1 LP; or
6. either SW1 LP or the Fund, if the Transaction has not been completed on or before December 31, 2025, or such later date as may be agreed to by SW1 LP and the Fund (provided, that the right to terminate the Business Combination Agreement shall not be available to any party whose failure to fulfill any of its obligations under the Business Combination Agreement has been the cause of or resulted in the failure to consummate the transactions contemplated hereby by such date).

PRO FORMA DESCRIPTION OF SW1 LP

The following describes the terms of the SW1 LP Limited Partnership Agreement, assuming completion of the Transaction and the implementation of the SW1 LPA Amendments.

General Partner Interest

The general partner interest in SW1 LP is held by SW1 GP. Upon completion of the Transaction, the Fund will be the sole shareholder of SW1 GP.

Capital in SW1 LP

The capital of SW1 LP will consist of an unlimited number of SW1 LP Class A Units, SW1 LP Class B Units, SW1 LP Class C Units and 100 Special LP Units, plus the interest held by SW1 GP as general partner.

Distributions

To the extent cash flow permits, for any period, SW1 LP will pay and distribute an amount equal to all distributable cash flow of SW1 LP to the holders of SW1 LP Units as of an applicable record date:

- (a) first, to SW1 GP, 0.01% of the distributable cash flow;
- (b) second, such balance of the distributable cash flow remaining, following the distributions to SW1 GP above, to the holders of SW1 LP Units on a proportionate basis (based on the number of SW1 LP Units outstanding) until the SW1 LP Units of a subject class has achieved its "minimum return" (being a minimum compounded annual return of 8% per annum on the Applicable Net Asset Value for an SW1 LP Unit of the applicable subject class, or in respect of the SW1 LP Class C Units, on a look-through basis to the Units of the Fund of a subject class, including, for greater certainty, a return of an amount equal to the Applicable Net Asset Value);
- (c) third, in respect of each subject class, such balance of the distributable cash flow, if any, remaining following the distributions above, 50% to the holders of SW1 LP Units of the applicable subject class, and 50% to the holder of Special LP Units, until such time as the holder of Special LP Units has received 20% of all distributions payable, and the holders of SW1 LP Units of the applicable subject class shall have received 80% of all distributions payable, in respect of the applicable subject class; and

- (d) fourth, in respect of each subject class, such balance of the distributable cash flow, if any, remaining following the distributions above in respect of the applicable subject class, 80% to the holders of the applicable subject class of SW1 LP Units, and 20% to the holder of Special LP Units.

For greater certainty, (i) the foregoing calculation shall be made on a cumulative basis taking into account distributions for all prior periods, and (ii) for purposes of the look-through calculation applicable in determining the amounts distributable to the Fund as holders of SW1 LP Class C Units and to DDAP as holder of the Special LP Units as described above, amounts distributed to the Fund shall be deemed to be distributed by the Fund to Unitholders. Notwithstanding any of the foregoing, SW1 GP may in its sole and unfettered discretion elect to not distribute cash flow in any period or to reduce the amount of any distribution of cash flow in whole or in part.

Allocation of Income and Losses for Tax and Accounting Purposes

For tax and accounting purposes, losses for each fiscal year of SW1 LP will be allocated to the holders of SW1 LP Units and SW1 GP. For tax and accounting purposes, net income for each fiscal year of SW1 LP will be allocated to the holders of SW1 LP Units, Special LP Units and SW1 GP, as general partner of SW1 LP, in a manner consistent with the amount of distributions payable to such partners in respect of such fiscal year.

Distributions upon Wind-up, etc.

Upon the liquidation, dissolution or wind-up of SW1 LP, the assets of SW1 LP will be liquidated and the proceeds thereof will be distributed as follows:

- (a) to pay all unpaid expenses which are required to be paid under the SW1 LP Limited Partnership Agreement and any accrued but unpaid portion owed under the Management Agreement;
- (b) to pay all of the liabilities of SW1 LP, including any loans or advances made by its limited partners and any amounts owing to SW1 GP in respect of costs and expenses owing to it as general partner;
- (c) to establish such reserves as SW1 GP, as general partner, considers necessary; and
- (d) to pay the balance in accordance with the distribution waterfall of SW1 LP.

Alternatively, the holders of SW1 LP Units may approve by Special Resolution distributions of all assets of the SW1 LP *in specie*, in which event SW1 GP and each holder of SW1 LP Units and Special LP Units shall, subject to the provisions of the SW1 LP Limited Partnership Agreement, be entitled to receive an undivided interest in each and every asset of SW1 LP in accordance with such limited partner's proportionate interest in SW1 LP as of the date of dissolution or sale.

Additional Capital Contributions

No limited partner is required to make additional capital contributions to SW1 LP over and above the purchase price paid for such limited partner's SW1 LP Units.

Management of SW1 LP

SW1 GP, as general partner, has continuing exclusive authority over the management of SW1 LP, the conduct of its affairs, and the management and disposition of the property of SW1 LP, except for certain limited matters being subject to votes of the holders of SW1 LP Units. SW1 GP does not have any rights to vote. The Special LP Units will not have any rights to vote.

Removal of the SW1 GP

Following the provision of a notice of an event of default pursuant to the SW1 LP Limited Partnership Agreement and, in circumstances where such event of default is capable of being cured, SW1 GP has not cured the event of default within 60 days following delivery of such notice, the holders of SW1 LP Units may, by Special Resolution, determine to deliver a written notice to SW1 GP from SW1 LP specifying in reasonable detail the nature of the event of default and remove SW1 GP. In such case, the holders of SW1 LP Units will appoint, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed general partner, and the removed general partner will be released of its liabilities under the SW1 LP Limited Partnership Agreement and indemnified for any damages and expenses with respect to events which occur in relation to SW1 LP after the appointment of the new general partner.

Voting

Each SW1 LP Unit has attached to it the right to exercise one vote at meetings of SW1 LP. Certain powers, relating generally to the existence and fundamental powers of SW1 LP, are specified in the SW1 LP Limited Partnership Agreement and are exercisable by way of an Ordinary Resolution passed by holders of SW1 LP Units. Special LP Units shall be non-voting, except in circumstances where a matter affects the Special LP Units' entitlement to distributions.

Transfer of SW1 LP Units

The transfer of SW1 LP Units will be subject to a number of restrictions, including: (i) no SW1 LP Units will be transferable in part; and (ii) no transfer of SW1 LP Units will be accepted by SW1 GP unless a transfer form, duly completed and signed by the registered holder of such SW1 LP Units has been remitted to SW1 GP. The General Partner may reject transfers, in its sole and absolute discretion, including if the representations of a limited partner set out in the SW1 LP Limited Partnership Agreement would be untrue, the transfer would cause or reasonably be expected to create a risk of causing SW1 LP to be a "SIFT partnership" for purposes of the Tax Act, or the transfer will cause transfer taxes or land or property transfer tax to become payable by any party. In addition, a transferee of SW1 LP Units must provide to SW1 GP such other instruments and documents as SW1 GP may require, in appropriate form, completed and executed in a manner acceptable to SW1 GP and must pay the administration fee, if any, required thereby. A transferee of a unit of SW1 LP will not become a partner or be admitted to SW1 LP and will not be subject to the obligations and entitled to the rights of a partner under the SW1 LP Limited Partnership Agreement until the foregoing conditions are satisfied and such transferee is recorded on the SW1 LP's register of partners.

Amendments to the SW1 LP Limited Partnership Agreement

The SW1 LP Limited Partnership Agreement may be amended with the prior consent of the holders of at least $66\frac{2}{3}\%$ of the SW1 LP Units voting on the amendment at a duly constituted meeting of holders of SW1 LP Units or by a written resolution of partners holding at least $66\frac{2}{3}\%$

of the SW1 LP Units entitled to vote at a duly constituted meeting of holders of SW1 LP Units, except for certain amendments which require unanimous approval of holders of limited partnership units, including: (i) changing the liability of any limited partner; (ii) changing the right of a limited partner to vote at any meeting of holders of SW1 LP Units; and (iii) changing SW1 LP from a limited partnership to a general partnership.

SW1 GP may also make amendments to the SW1 LP Limited Partnership Agreement without the approval or consent of the limited partners to reflect, among other things: (i) a change that, as determined by SW1 GP, is reasonable and necessary or appropriate to qualify or continue the qualification of SW1 LP as a limited partnership in which the limited partners have limited liability under applicable laws; (ii) a change that, as determined by SW1 GP, is necessary or desirable as a result of changes in the Tax Act, other taxation laws or accounting rules; (iii) creating, from time to time, and issuing one or more new classes or series of additional units of SW1 LP; (iv) or a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the SW1 LP Limited Partnership Agreement which may be defective or inconsistent with any other provision contained in the SW1 LP Limited Partnership Agreement, or of a typographical nature; or (v) amendments required to undertake an internal reorganization where SW1 LP will have substantially the same interest, whether direct or indirect, in SW1 LP's assets that it had prior to the reorganization, provided the rights of holders of SW1 LP Units are not prejudiced thereby.

Notwithstanding the foregoing: (i) no amendment which would adversely affect the rights and obligations of SW1 GP, as a general partner, may be made without the consent of SW1 GP; and (ii) no amendment which would adversely affect the rights and obligations of any other holders of limited partnership units or any class of limited partner differently than any other class of limited partner may be made without the consent of such holder or class.

PRO FORMA CAPITALIZATION OF THE FUND

The following table sets forth the *pro forma* capitalization of the Fund as at June 30, 2025 after giving effect to the Transaction. The table should be read in conjunction with the Fund's *pro forma* financial statements included in this Information Circular.

(000's)	As at June 30, 2025
	(unaudited — <i>pro forma</i> after giving effect to the Transaction)
Indebtedness	
Loans Payable	\$403,120
Unitholder's Equity	
Units	148,885
Non-controlling interests	98,022
Total Capitalization ..	\$650,027

PRINCIPAL LEGAL MATTERS

Competition Law Matters

Pursuant to the Business Combination Agreement, on November 4, 2025, Starlight Group Property Holdings Inc. (on behalf of the Fund), filed with the Commissioner of Competition (the

“Commissioner”) a submission requesting an advance ruling certificate pursuant to section 102 of the *Competition Act* (Canada) or, in the alternative, written confirmation that the Commissioner does not, at that time, intend to make an application under section 92 of the *Competition Act* in connection with the transactions contemplated by the Business Combination Agreement and a waiver of the parties’ obligation to comply with the notification requirements of Part IX of the *Competition Act* (Canada), pursuant to section 113(c) of the *Competition Act* (Canada). Starlight Group Property Holdings Inc. received *Competition Act* (Canada) approval in the form of an advance ruling certificate on November 12, 2025.

Securities Law Matters

As a reporting issuer (or its equivalent) in all the provinces of Canada, the Fund is subject to MI 61-101.

MI 61-101 is intended to regulate certain transactions to ensure the protection and fair treatment of securityholders by requiring enhanced disclosure, approval by a simple majority of securityholders (excluding interested or related parties) and, in certain circumstances, a formal valuation. The Transaction constitutes a “related party transaction” as such term is defined in MI 61-101 and therefore subject to the applicable requirements of MI 61-101, as a result of the sale of the Holding LP Class A Units to a related party of the Fund, and therefore subject to the applicable requirements of MI 61-101. The proposed Transaction is not a “business combination” as no interest of a holder of an equity security of the Fund may be terminated without the holder’s consent.

Despite the fact that the Transaction constitutes a “related party transaction”, the Fund is not required to obtain a formal valuation under MI 61-101 since no securities of the Fund are listed or quoted on the specified markets set out in section 5.5(b) of MI 61-101.

MI 61-101 also provides that, in addition to any other required securityholder approval, a related party transaction is subject to “minority approval” (as defined in MI 61-101) of every class of affected securities of the issuer, in each case voting separately as a class. The Fund has applied for discretionary exemptive relief from the Canadian Securities Administrators from this requirement (the “**Exemptive Relief**”), such that minority Unitholder Approval will be required, but only from the Unitholders voting together as a single class, on the basis that (i) the Declaration of Trust 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; (ii) the relative returns of any proposed transaction to each class of Units are fixed pursuant to the formula set out in the Declaration of Trust; (iii) negotiation of the Transaction was overseen by a fully independent Board of Trustees for purposes of MI 61-101; (iv) the Board of Trustees have received the Fairness Opinion; (v) providing a class vote would provide disproportionate power to a potentially small number of Unitholders; and (vi) to the best of the knowledge of the Manager and the Fund, there is no reason to believe that Unitholders of any particular class would not approve the Transaction.

In the event the Exemptive Relief is granted, holders of all classes of units of the Fund (other than any Unitholder required to be excluded for the purpose of MI 61-101) will vote on the Transaction Resolution pursuant to MI 61-101 as a single class.

As a result, under MI 61-101, in addition to the approval of the Transaction Resolution by at least 66⅔% of the votes cast by Unitholders, voting together as a single class, at the Meeting, subject to receipt of the Exemptive Relief, the Transaction Resolution must also be approved by

the affirmative vote of a simple majority of the votes cast by the Unitholders voting together as a single class other than Units held by each “interested party” (as defined in MI 61-101), any “related party” of an “interested party”, unless the related party meets that description solely in its capacity as a director or senior officer of one or more persons that are neither “interested parties” nor “issuer insiders” (in each case within the meaning of MI 61-101), and any “joint actor” (as defined in MI 61-101) with any of the foregoing persons. For more information, see “*Special Business of the Meeting—Interested Unitholders*”.

In the event that the Exemptive Relief is not received prior the vote on the Transaction Resolution at the Meeting, the vote will be conducted with each class of Units voting separately as a class.

To the knowledge of the Fund, after reasonable inquiry, the only Unitholders who may be considered to be “interested parties” whose votes are required to be excluded for purposes of “minority approval” in accordance with MI 61-101, as described above, are Units beneficially owned or controlled by the Interested Unitholders. As of the close of business on November 7, 2025, the Record Date, the Interested Unitholders beneficially owned or controlled 1,083,500 Units, representing approximately 8.39% of the 12,916,604 Units issued and outstanding.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary, as of the date hereof, of the principal Canadian federal income tax considerations under the Tax Act generally applicable in respect of the Transaction to a Unitholder who, for purposes of the Tax Act and at all relevant times, (i) is or is deemed to be resident in Canada, (ii) deals at arm’s length with each of the Fund, SW1 LP and the Manager, and is not affiliated with any of the Fund, SW1 LP or the Manager, and (iii) holds their Units as capital property (a “**Holder**”). Generally, Units will be considered to be capital property to a holder provided that the holder does not hold such Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. A holder whose Units might not otherwise be considered to be capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Units, and any other “Canadian security”, as defined in the Tax Act, owned by such Holder in the taxation year in which the election is made or any subsequent taxation year, deemed to be capital property. Holders who do not hold their Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary does not discuss the tax consequences of the Transaction to holders of SW1 LP Units, including any consequences which may arise to a Holder as a result of such Holder also being a holder of SW1 LP Units. Holders of SW1 LP Units are urged to consult their own tax advisors.

This summary is not applicable to a Holder (i) that is a “financial institution” for purposes of the “mark-to-market rules” in the Tax Act, (ii) an interest in which is a “tax shelter investment”, (iii) that has elected to report its “Canadian tax results” in a currency other than Canadian currency, (iv) that has entered or will enter into a “derivative forward agreement” with respect to Units (in each case within the meaning of the Tax Act) or (v) that holds Units of more than one class at any particular time. Such holders should consult their own tax advisors to determine the tax consequences to them of the Transaction having regard to their particular circumstances. In addition, this summary does not address the deductibility of interest by a Holder who used borrowed money to acquire their Units.

This summary assumes that (i) SW1 LP is not a “tax shelter” or “tax shelter investment”, each as defined in the Tax Act, (ii) SW1 LP Units that represent more than 50% of the fair market value of all interests in SW1 LP are held at all relevant times by unitholders that are not “financial institutions” as defined in the Tax Act, (iii) no interest in any unitholder of SW1 LP is a “tax shelter investment” as defined in the Tax Act and (iv) the Fund and its subsidiaries (including SW1 LP following completion of the Transaction) hold their properties as capital properties. However, no assurances can be given in this regard.

This summary does not describe the Canadian federal income tax considerations generally associated with holding Units following completion of the Transaction. The tax considerations associated with holding Units following completion of the Transaction will generally be the same as the tax considerations associated with holding Units immediately prior to the Transaction, except to the extent otherwise described herein.

This summary is based on the facts set out in this Information Circular, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), and an understanding of the current administrative policies and assessing practices of the CRA which have been made public prior to the date hereof. This summary assumes that the Tax Proposals will be enacted as proposed but no assurances can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or in the administrative policies and assessing practices of the CRA, whether by legislative, governmental or judicial action, nor does it take into account or consider any other federal tax considerations or any provincial, territorial or foreign tax considerations, which may differ materially from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Unitholder, and no representations concerning the tax consequences to any particular Unitholder are made. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to any particular Holder in respect of the Transaction or otherwise. The income and other tax consequences of the Transaction to a Holder will vary depending on a Holder’s particular status and circumstances, including the province or territory in which the Holder resides or carries on business. Accordingly, Unitholders should consult their own tax advisors with respect to the tax consequences of the Transaction based on their particular circumstances.

For the purposes of this summary, a reference to the Fund is a reference to Starlight Western Canada Multi-Family (No. 2) Fund only and is not a reference to any subsidiary entity, including SW1 LP or Holding LP.

Status of the Fund

Qualification as a “Mutual Fund Trust”

This summary assumes that the Fund qualifies and will, at all relevant times, qualify as a “mutual fund trust” for the purposes of the Tax Act. The Fund intends to ensure that it will meet the requirements necessary for it to qualify as a mutual fund trust for the purposes of the Tax Act at all times. If the Fund were not to qualify as a mutual fund trust at any particular time, the tax considerations for the Fund and Holders would, in some respects, be materially and adversely different from those described herein.

The SIFT Rules

The Tax Act contains rules (the “**SIFT Rules**”) which tax certain publicly-traded or listed trusts and partnerships in a manner similar to corporations and which treat certain distributions from such trusts and partnerships as taxable dividends from a taxable Canadian corporation.

The SIFT Rules apply to any trust or partnership that is a “SIFT trust” or “SIFT partnership” (each as defined in the Tax Act) and its investors. A SIFT trust (or partnership) is defined as a Canadian resident trust (or partnership) if “investments” (as defined in the Tax Act for purposes of the SIFT Rules) in the trust (or partnership) are listed or traded on a stock exchange or other “public market” (as defined in the Tax Act for purposes of the SIFT Rules), and the trust (or partnership) holds one or more “non-portfolio properties” (as defined in the Tax Act). Non-portfolio properties generally include (i) certain investments in real properties situated in Canada, (ii) certain investments in corporations and trusts resident in Canada, (iii) certain investments in corporations, trusts and partnerships with other specified connections to Canada, and (iv) property used in the course of carrying on a business in Canada.

Because the SIFT Rules do not apply to a partnership or trust that does not have “investments” (as defined for purposes of the SIFT Rules) listed or traded on a stock exchange or other public market (the “**Public Market Exemption**”), provided that the neither the Units nor the SW1 LP Units are listed or traded on a stock exchange or other public market (within the meaning of the SIFT Rules), neither the Fund nor SW1 LP will be a SIFT trust or a SIFT partnership for purposes of the SIFT Rules. In this connection, the Declaration of Trust provides that any transfer of Units that would result in such units being transferred on a “public market”, as defined for purposes of the SIFT Rules, will be void *ab initio*. This summary assumes that each of the Fund and SW1 LP will continue to qualify for the Public Market Exemption at all relevant times.

The balance of this summary assumes that the Fund will not be a SIFT trust and neither SW1 LP nor Holding LP will be a SIFT partnership, at any relevant time. Should these assumptions not be correct, the income tax consequences for Holders may be materially and adversely different from those described in this summary—among other differences, the Fund, SW1 LP or the Holding LP may be subject to tax which approximates federal and provincial corporate income taxation, and certain amounts distributed by the Fund may be included in the income of Holders for purposes of the Tax Act as taxable dividends.

Tax Consequences of the Transaction

Transfer of Holding LP Class A Units to SW1 LP in exchange for SW1 LP Units

Provided an election under subsection 97(2) of the Tax Act is made by the Fund and SW1 LP, in the manner and within the time limits specified in the Tax Act, in respect of the transfer of the Holding LP Class A Units to SW1 LP in exchange for SW1 LP Class C Units in the Transaction (the “**Holding LP Class A Unit Transfer**”), the proceeds of disposition of the Holding LP Class A Units to the Fund and the cost of the Holding LP Class A Units to SW1 LP will generally be equal to the “elected amount” specified in such election, subject to the specific limitations and constraints in the Tax Act. The Fund and SW1 LP intend to elect under subsection 97(2) of the Tax Act for the disposition of the Holding LP Class A Units by the Fund in the Transaction to occur on a tax-deferred basis to the Fund. Provided such election is timely made, the Fund will not realize any capital gain or loss as a consequence of such disposition and SW1 LP will acquire the Holding LP Class A Units at an adjusted cost base equal to the Fund’s existing adjusted cost base in such units immediately before the Transaction.

In order for an election under subsection 97(2) to be available in respect of the Holding LP Class A Unit Transfer, SW1 LP must be a “Canadian partnership” for purposes of the Tax Act immediately after such transfer. The Manager believes that SW1 LP is currently a Canadian partnership, and intends to take steps to ensure that this is the case at the time of the Transaction.

Settlement of the Fund Carried Interest

Provided an election under subsection 97(2) of the Tax Act is made by DDAP and SW1 LP in the manner and within the time limits specified in the Tax Act in respect of the transfer of the Holding LP Class B Units to SW1 LP in exchange for SW1 LP Class A Units on the settlement of the Fund’s carried interest in the Transaction (the “**Fund Carried Interest Settlement**”), the cost to SW1 LP of the Holding LP Class B Units so acquired will be equal to the “elected amount” specified in such election, subject to the specific limitations and constraints in the Tax Act. It is the mutual intention of DDAP, the Fund and SW1 LP that no income or capital gain be realized by DDAP by virtue of the Fund Carried Interest Settlement. It is expected that the elected amount under the subsection 97(2) election to be filed in respect of the Holding LP Class B Unit Transfer will be consistent with such intention, in which case SW1 LP’s cost in the Holding LP Class B Units acquired in the Transaction will be equal to DDAP’s adjusted cost base in such units immediately before the Transaction (which is expected to be nominal).

Amendment of the Holding LP Agreement

The amendment to the Holding LP Agreement following the acquisition of the Holding LP Class A Units and the Holding LP Class B Units by SW1 LP (which will result in SW1 LP being the sole limited partner of Holding LP) will not result in a disposition by SW1 LP of all or any part of its limited partner interest in Holding LP for purposes of the Tax Act. Following such amendment, SW1 LP’s adjusted cost base in its Holding LP Class A Units will be equal to the aggregate of its adjusted cost base of the Holding LP Class A Units and the Holding LP Class B Units acquired in the preceding steps, and having regard to the subsection 97(2) elections, described above.

Taxation of the Fund’s investment in SW1 LP

Taxation of the Fund

The Fund will be required to include (or permitted to deduct, subject to the “at-risk” rules described below) in computing its income under Part I of the Tax Act its allocated share of income (or loss) of SW1 LP for each fiscal period of SW1 LP ending on or before the Fund’s taxation year-end. The Fund’s adjusted cost base of its SW1 LP Units will be increased (or decreased) at a particular time by the Fund’s share of the amount of income (or losses, other than losses the deductibility of which was denied by the at-risk rules), including the full amount of any capital gain (or capital loss), of SW1 LP for a fiscal period of SW1 LP ended before that time, and will be reduced by all distributions of cash or other property made by SW1 LP to the Fund before that time. If the adjusted cost base to the Fund of its SW1 LP Units at the end of a fiscal period of SW1 LP would otherwise be a negative amount as a result of such adjustments, the Fund would be deemed to realize a capital gain at SW1 LP’s fiscal period end equal to the absolute value of such negative amount, and the adjusted cost base to the Fund of its SW1 LP Units would then be increased by the amount of such deemed capital gain to nil.

Losses incurred by the Fund (including losses allocated to the Fund by SW1 LP and capable of being deducted by the Fund) cannot be allocated to Unitholders, but may be carried

forward and deducted by the Fund in computing its taxable income in future years in accordance with the detailed rules and limitations in the Tax Act.

Taxation of SW1 LP

Subject to the SIFT Rules, SW1 LP is generally not subject to tax under the Tax Act. The income or loss of SW1 LP for a fiscal period will be allocated to its partners (including the Fund) on the basis of their respective shares of such income or loss as provided in the SW1 LP Limited Partnership Agreement (as amended in the Transaction), subject to the detailed rules in the Tax Act, including the “at-risk rules” described below. The fiscal period of SW1 LP ends on December 31 of each year.

For this purpose, the income or loss of SW1 LP will be computed for each fiscal year as if SW1 LP was a separate person resident in Canada. SW1 LP’s income will include rent in respect of its properties, any taxable capital gains and recapture of capital cost allowance (“**CCA**”) arising on the disposition of capital property owned by SW1 LP, and any income allocated to SW1 LP by Holding LP (or other partnerships of which SW1 LP is a partner). The source and character of amounts included in (or deducted from) the income of SW1 LP on account of income (or loss) of Holding LP (or another partnership of which SW1 LP is a partner) from a particular source generally will be determined by reference to the source and character of such amounts when earned by Holding LP (or such other partnership).

In computing the income or loss of the SW1 LP, reasonable deductions may generally be claimed in respect of available CCA, interest in respect of the SW1 LP’s debts incurred for the purpose of earning income from a business or property, and administrative and other expenses incurred for the purpose of earning income from a business or property to the extent the outlays are not capital in nature. Deductibility of losses allocated to the Fund by SW1 LP may be restricted by the “at-risk rules”, as described below.

In computing income for the purposes of the Tax Act, SW1 LP intends to claim the maximum discretionary deductions (including in respect of CCA) that are available to it under the Tax Act, unless the Manager determines in its discretion that doing so would not be in the best interests of SW1 LP or its partners.

Generally, distributions to SW1 LP by Holding LP in excess of SW1 LP’s allocated share of the income (including the full amount of capital gains) of Holding LP for a fiscal period will result in a reduction of SW1’s adjusted cost base of its interest in Holding LP by the amount of such excess. If at the end of any fiscal period of Holding LP, the adjusted cost base of SW1 LP’s interest in Holding LP would otherwise be a negative amount, SW1 LP will be deemed to have realized a capital gain at the end of the fiscal period equal to the absolute value of such negative amount and the adjusted cost base of SW1 LP’s interest in Holding LP will be increased by the amount of such deemed capital gain to nil.

As discussed above under “—*Tax Consequences of the Transaction*”, SW1 LP will acquire its limited partnership interests in Holding LP on a tax-deferred rollover basis and accordingly SW1 LP’s adjusted cost base in its limited partnership interest in Holding LP is expected to be less than the fair market value of such interest at the time of the Transaction. Accordingly, SW1 LP may be deemed to realize capital gains as described above that it would not have been deemed to realize if SW1 LP had acquired such interests at an adjusted cost base equal to fair market value.

The Tax Act contains rules (the “**EIFEL Rules**”) that generally limit the deductibility of interest and other financing-related expenses by an entity to which the rules apply to the extent that such expenses, net of interest and other financing-related income, exceed a fixed ratio of the entity’s tax EBITDA. The Fund does not believe that it is currently subject to the EIFEL Rules, but there can be no assurances in this regard. If the EIFEL Rules were to apply to restrict deductions otherwise available to the Fund or otherwise increase the Fund’s income for purposes of the Tax Act, the taxable component of distributions paid by the Fund to Unitholders may be increased, which could reduce the after-tax return associated with an investment in Units. If the EIFEL Rules were to apply to the Fund, Unitholders may be adversely affected by the Fund’s allocated share of interest and financing expenses of SW1 LP.

At-risk rules

The Tax Act contains rules (the “**at-risk rules**”) which, in general, limit the amount of the losses (other than capital losses) of a limited partnership for a fiscal period that a limited partner of the partnership may deduct to an amount not greater than the partner’s “at-risk amount” in respect of the partnership at the end of the fiscal period. A limited partner’s at-risk amount in respect of a limited partnership at the end of the partnership’s fiscal period will generally be equal to the adjusted cost base to the partner of its interest in the partnership at the end of the fiscal period plus the partner’s share of any income of the partnership for the fiscal period (including, for this purpose, the whole amount of any net capital gains), less any amount owing by the partner (or by a person or partnership that does not deal at arm’s length with the partner for purposes of the Tax Act) to the partnership (or to a person or partnership not dealing at arm’s length with the partnership for purposes of the Tax Act), and less the amount of the partner’s investment in the partnership that may reasonably be regarded as protected against loss. The share of any loss of the partnership that is not deductible by a partner (other than a partner that is itself a partnership) as a result of the application of the “at-risk” rules is considered to be a “limited partnership loss” in respect of the partnership for that year.

A limited partnership loss of the Fund in respect of SW1 LP may generally be carried forward and deducted by the Fund in a subsequent taxation year against income for that year to the extent that the Fund’s at-risk amount at the end of the SW1 LP’s last fiscal period ending in that year exceeds the Fund’s share of any loss of SW1 LP for that fiscal period, subject to and in accordance with the provisions of the Tax Act. A limited partnership loss of SW1 LP in respect of Holding LP (or another partnership of which SW1 LP is a partner) generally may not be carried forward and deducted in future years, but may, in certain circumstances, reduce SW1 LP’s share of any loss of Holding LP (or such other partnership), including for purposes of calculating SW1 LP’s adjusted cost base in its interest in Holding LP (or such other partnership).

OTHER TAX CONSIDERATIONS

This Information Circular does not address any tax considerations of the Transaction other than certain Canadian federal income tax considerations for Unitholders resident in Canada. Unitholders who are resident in or are otherwise taxable in jurisdictions other than Canada should consult their own tax advisors with respect to the tax implications of the Transaction, including any associated filing requirements, in such jurisdictions.

Unitholders should also consult their own tax advisors regarding provincial, state or territorial tax considerations of the Transaction.

OTHER INFORMATION CONCERNING THE FUND

Trading in Securities of the Fund

The Fund has three classes of Units which are denominated in Canadian dollars. The Units include the Class A Units, the Class B Units, and the Class C Units. None of the Units are listed or traded on a stock exchange.

Ownership of Units

The following table indicates, as at November 7, 2025, the Record Date, the number of securities of the Fund beneficially owned, directly or indirectly, or over which control or direction is exercised, by each trustee, director and officer of the Fund and the Manager, each person controlling the Fund, and, to the knowledge of the Fund, after reasonable inquiry, each director and officer of a person controlling the Fund, each associate and majority-owned Subsidiary of any of the foregoing, if any, any other associate and affiliate of the Fund, any other beneficial owner of a 10% or more equity interest of any class of securities of the Fund, and any other person or company acting jointly or in concert with the Fund, if any, as well as the percentage of outstanding Units so owned.

Name	Relationship to the Fund	Number of Units of each Class	Percentage of each Class of Unit Beneficially Owned	Fund Voting Interest
Lawrence Wilder	Trustee	15,000 Class C Units	0.44% of Class C Units	0.12%
Daniel Drimmer ⁽¹⁾	CEO	15,000 Class B Units 700,000 Class C Units	0.28% of Class B Units 20.66% of Class C Units	5.54%
Martin Liddell ⁽²⁾	CFO	30,000 Class C Units	0.89% of Class C Units	0.23%
Glen Hirsh ⁽³⁾	COO	20,000 Class C Units	0.59% of Class C Units	0.15%
Mark Pathy ⁽⁴⁾	10% holder of a class of Units	500,000 Class C Units	14.76% of Class C Units	3.87%
2387349 Ontario Limited	10% holder of a class of Units	500,000 Class C Units	14.76% of Class C Units	3.87%
Arlene Christiansen ⁽⁶⁾	10% holder of a class of Units	500,000 Class C Units	14.76% of Class C Units	3.87%

Notes:

- (1) The Class B Units and Class C Units beneficially owned or controlled by Mr. Drimmer are registered in the name of DDAP, an entity controlled by Mr. Drimmer.
- (2) The Class C Units beneficially owned or directed by Mr. Liddell are registered in the name of Marrac Holdings Ltd., an entity controlled by Mr. Liddell.
- (3) The Class C Units beneficially owned or directed by Mr. Hirsh are registered in the name of JJ Brosh Inc., an entity controlled by Mr. Hirsh.
- (4) The Class C Units beneficially owned or controlled by Mr. Pathy are registered in the name of Mavrik Corp., an entity controlled by Mr. Pathy.
- (5) The Class C Units beneficially owned or controlled by Ms. Christiansen are registered in the name of Christiansen Investments Inc., an entity controlled by Ms. Christiansen.

Commitments to Acquire Units

As at the date hereof, the Fund has no agreements, commitments or understandings to acquire Units. To the knowledge of the Fund, after reasonable enquiry, no person named under

the heading “*Other Information Concerning the Fund—Ownership of Units*” has any agreements, commitments or understandings to purchase Units.

Insider Support of the Transaction

Each trustee, director and officer of the Fund or the Manager listed in the table above under the heading “*Other Information Concerning the Fund—Ownership of Units*” intends to vote the Units held by such person in favour of the Transaction Resolution. The Fund is not aware of the voting intentions of any holder of 10% of a class of Units that is not a trustee, director and officer of the Fund or the Manager.

Previous Purchases and Sales by the Fund

No securities of the Fund have been purchased or sold by the Fund during the 12-month period prior to the date hereof.

Previous Distributions of Securities by the Fund

The following table sets forth the details regarding the Fund’s previous distribution of Units, including issuances of all securities convertible into or redeemable for Units for the five-year period prior to the date hereof.

Date of Issuance	Security Issued	Reason for Issuance	Number of Securities Issued	Gross Proceeds
February 22, 2022	Class A Units	Initial Public Offering	4,207,395	\$130,000,000
	Class B Units		5,404,905	
	Class C Units		3,387,700	

Distributions

Pursuant to the Declaration of Trust, the Board of Trustees has full discretion respecting the timing and amounts of distributions including the adoption, amendment or revocation of any distribution policy. The Fund’s distribution has been targeted to be between 3.0% to 4.0% annually on all Unit classes. The Fund has declared monthly cash distributions no later than seven business days prior to the end of each month, payable within 15 days following the end of the month (or the next business day if not a business day) in which the distribution is declared to Unitholders as at month-end. During fiscal 2024, the Fund paid \$0.33804 per Class A Unit, \$0.32768 per Class B Unit and \$0.34588 per Class C Unit on an annualized basis, or approximately \$0.02817 per Class A Unit, \$0.02731 per Class B Units and \$0.02882 per Class C Unit on a monthly basis. During fiscal 2023, the Fund paid \$0.30948 per Class A Unit, \$0.30000 per Class B Unit and \$0.31668 per Class C Unit on an annualized basis, or approximately \$0.02579 per Class A Unit, \$0.02500 per Class B Units and \$0.02639 per Class C Unit on a monthly basis.

Following completion of the Transaction, is it currently anticipated that the Fund and SW1 LP will target an annual distribution of approximately 2.7% on each class of units of the Fund and SW1 LP based on the net asset value per unit of each class of units of the Fund and SW1 LP, equating on a monthly basis to approximately \$0.026 per SW1 LP Class A Unit, \$0.025 per SW1 LP Class B Unit, \$0.025 per Class A Unit, \$0.025 per Class B Unit and \$0.026 per Class C Unit.

Expenses of the Fund

The aggregate fees and expenses expected to be incurred by the Fund in connection with the Transaction are estimated to be approximately \$3.0 million, including legal, financial advisory, accounting, filing and printing costs, the costs of preparing and mailing this Information Circular and fees in respect of the Fairness Opinion.

RISK FACTORS

If the Transaction Resolution is approved at the Meeting and the Transaction is implemented, following the Effective Time, the Fund will hold SW1 LP Units. Accordingly, a holder of a Unit and/or an SW1 LP Unit will be subject to the risks associated with each of the Fund and SW1 LP, which are many of the same risks currently affecting the business of the Fund. Further details of the risks affecting the Fund can be found in the Fund's filings with the Canadian Securities Administrators from time to time and which are available under the Fund's issuer profile on SEDAR+ at www.sedarplus.ca. Additional risk factors relating to the Transaction are set out below.

Risks Related to the Transaction

Unitholders should carefully consider the following risks related to the Transaction in evaluating whether to approve the Transaction Resolution. Additional risks and uncertainties, including those currently unknown to or considered immaterial by the Fund may also adversely affect the Transaction. The following risk factors are not a definitive list of all risk factors associated with the Transaction.

The Transaction is subject to satisfaction or waiver of several conditions

The completion of the Transaction is subject to a number of conditions precedent, certain of which are outside the control of the Fund, including receipt of Unitholder Approval and approval of the SW1 LP unitholders. There can be no certainty, nor can the Fund provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied, or whether these conditions will be waived. If the Transaction is not completed, the Fund could be negatively affected.

Requirement that a simple majority of the votes attached to Units voted by Disinterested Unitholders and at least 66⅔% of votes cast by Unitholders be cast in favour of the Transaction Resolution

Since the Transaction constitutes a "related party transaction" under MI 61-101, the Transaction Resolution must be approved by a simple majority of the votes cast by Disinterested Unitholders virtually or represented by proxy at the Meeting, subject to receipt of the Exemptive Relief, voting as a single class. This approval is in addition to the requirement that the Transaction Resolution be approved by at least 66⅔% of the votes cast by Unitholders present virtually or represented by proxy at the Meeting, voting as a single class. There can be no certainty, nor can the Fund provide any assurance, that the requisite Unitholder Approval of the Transaction Resolution will be obtained. In addition, there is no assurance that the Exemptive Relief will be obtained and that the vote of Disinterested Unitholders will not be conducted on a class-by-class basis. If such Unitholder Approval is not obtained and the Transaction is not completed, the Fund could be negatively affected.

The Fund's compliance with certain interim operating covenants it has agreed to with SW1 LP

Pursuant to the Business Combination Agreement, the Fund has agreed to certain interim operating covenants intended to ensure that the Fund carries on business in the ordinary course consistent with past practice, except as required or expressly authorized by the Business Combination Agreement. These operating covenants cover a broad range of activities and business practices. Consequently, it is possible that a business opportunity will arise that is out of the ordinary course or is not consistent with past practices, and that the Fund will not be able to pursue or undertake the opportunity due to its covenants in the Business Combination Agreement.

Termination of the Business Combination Agreement

The Fund and SW1 LP have the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions precedent, to terminate the Business Combination Agreement. Accordingly, there can be no certainty, nor can the Fund provide any assurance, that the Business Combination Agreement will not be terminated by either of the Fund or SW1 LP prior to the completion of the Transaction.

Fees, costs and expenses of the Transaction not recoverable

The Fund will not receive any reimbursement for most of the fees, costs and expenses incurred in connection with the Transaction. Such fees, costs and expenses include, without limitation, legal fees, financial advisor fees, depositary fees and printing and mailing costs, which will be payable whether or not the Transaction is completed and may cause harm to the financial condition of the Fund.

Possible Failure to Realize Expected Benefits of the Transaction

The Transaction involves risks that could materially and adversely affect the Fund's business plan, including the failure of the Transaction to realize the results the Fund expects. If the Transaction fails to realize the results that the Fund expects, the Transaction could materially and adversely affect the Fund's business plan and could have a material adverse effect on the Fund and its financial results.

Use of Fairness Opinion

The Fairness Opinion is directed only to the fairness, from a financial point of view, of the Consideration to be received by the Fund pursuant to the Transaction. The Fairness Opinion does not address the relative merits of the Transaction as compared to other business strategies or transactions that might be available to the Fund or the underlying business decision of the Fund to effect the Transaction. The Fairness Opinion does not constitute a recommendation by Blair Franklin to any Unitholder as to how such Unitholder should vote or act with respect to any matters relating to the Transaction.

Use of Property Appraisals

Caution should be exercised in the evaluation and use of the Appraisals. A property appraisal is an estimate of market value applying the appropriate judgment. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the

real estate market. The Appraisals are based on various assumptions of future expectations, and while the appraisers' internal forecasts for the applicable properties are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

Risk Factors Related to Canadian Tax

The Transaction will not result in an increase in the adjusted cost base or undepreciated capital cost of SW1 LP's assets for purposes of the Tax Act. Accordingly, the income and/or capital gains allocated to the Fund by SW1 LP will be determined based on SW1 LP's historic tax basis and undepreciated capital cost in its assets, and may include recaptured depreciation claimed or capital gains accrued on SW1 LP's properties prior to the date of the Transaction.

Another Attractive Asset Sale, Take-Over, Merger or Business Combination May Not be Available

If the Transaction is not completed, there can be no assurance that the Fund will be able to find a party or parties willing to purchase or transact on its properties, or willing to proceed at all with a similar transaction or any alternative transaction prior to the expiry of the Fund.

The pro forma financial information is presented for illustrative purposes only and may not be an indication of the Fund's financial condition or results of operations upon completion of the Transaction

The pro forma financial statements contained in this Information Circular are presented for illustrative purposes only and may not be an indication of the Fund's financial condition or results of operations upon completion of the Transaction for several reasons. For example, the combined pro forma financial statements have been derived from the historical financial statements of the Fund and SW1 LP and do not represent a financial forecast or projection and certain assumptions have been made. Such assumptions may not prove to be accurate. Moreover, the pro forma financial statements do not reflect Transaction-related costs that are expected to be incurred by the Fund in connection with the Transaction. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the Fund's post-Transaction financial condition or results of operations.

See the unaudited pro forma financial statements of the Fund attached as Appendix "C" to this Information Circular.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

In considering the Transaction and the unanimous recommendations of the Board of Trustees with respect to the Transaction, Unitholders should be aware that certain executive officers and members of the Board of Trustees have certain interests in connection with the Transaction or may receive benefits that may differ from, or be in addition to, the interests of Unitholders generally, which may present them with actual or potential conflicts of interest in connection with the Transaction. These interests and benefits are described below.

Starlight Group, a corporation which is wholly-owned by Mr. Drimmer, who is an officer and trustee of the Fund, has an indirect interest in the "carried interest" in the Fund.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein and elsewhere in this Information Circular, no informed person or any associate or affiliate of any informed person has any material interest, direct or indirect, in any transaction since the commencement of the Fund's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Fund or any of its Subsidiaries.

MANAGEMENT AGREEMENT

The Fund has engaged the Manager to perform certain management services, as outline below. The Manager is a related party of the Fund as the Manager is owned and controlled by Daniel Drimmer, the Chief Executive Officer of the Fund. The Management Agreement dated February 22, 2022 expires on the winding-up or dissolution of the Fund, unless and until the Management Agreement is terminated in accordance with the termination provisions.

The services provided by the Manager under the terms of the Management Agreement include, without limitation: (i) liaising with legal and tax counsel, (ii) identifying properties for acquisition, (iii) maintaining ongoing relationships with the lenders in respect of the mortgage loans and other debt (if any) for the properties, (iv) conducting continuous analysis of market conditions to monitor the Holding LP's investment in the properties, (v) advising the Fund and/or the Holding LP and with respect to the disposition of the Fund's properties, (vi) providing investor communication and reporting services to the Fund, and (vii) doing all such other acts or things and entering into agreements or documents on behalf of the Fund and/or the Holding LP to seek to achieve the investment objectives of the Fund.

Notwithstanding the above, it may at times be prudent for the Manager to delegate certain of its responsibilities under the Management Agreement to third party providers. In the event the Manager was to outsource any of its obligations under the Management Agreement, such delegation will be done at the expense of the Manager and will not relieve the Manager of its obligations under the Management Agreement.

For its services, the Manager is paid the following fees:

- (a) In consideration for providing management services, the Fund and/or the Holding LP will pay the Manager an aggregate base annual management fee (the "**Asset Management Fee**") calculated and payable on a monthly basis in arrears in cash on the first day of each month equal to 0.35% of the fair market value as prescribed by the most recent annual appraisals of the properties. Through June 30, 2025, the Fund incurred asset management fees of approximately \$820,000 (fiscal 2024, approximately \$824,000).
- (b) In consideration for providing financing and other services in connection with the acquisition of properties by the Fund, the Fund and/or the Holding LP will pay the Manager an aggregate acquisition fee (the "**Acquisition Fee**") equal to 1.00% of the purchase price paid by the Fund for the purchase of a property. Such Acquisition Fee shall be paid in full upon the completion of the purchase of each such property. No Acquisition Fee is payable in connection with the indirect acquisition by the Fund of SW1 LP's properties pursuant to the Transaction. No Acquisition Fees have been incurred to date in 2025 or in fiscal 2024.

- (c) In the event the Manager or any of its affiliates is required by the lenders to provide a financing guarantee in connection with an amount borrowed by the Fund or its Subsidiaries relating to a property, the Fund and/or the Holding LP will, in consideration for providing such guarantee, pay the Manager, in the aggregate, an annual amount equal to 0.15% of the then-outstanding amount of such guaranteed funds borrowed by the Fund and its Subsidiaries, which guarantee fee shall be calculated and payable to the Manager or its appointee on a monthly basis in arrears in cash on the last day of each month during the term of the Management Agreement. Through June 30, 2025, the Fund incurred guarantee fees of approximately \$169,000 (fiscal 2024, approximately \$190,000).

The Fund does not pay compensation directly to any key management personnel, as compensation of these individuals is paid by the manager pursuant to the Management Agreement.

The existing management agreement of SW1 LP provides for the same fees as are payable by the Fund and calculated on the same basis. Following the Transaction, the existing management agreement of SW1 LP will be terminated and the Management Agreement will be amended and restated to add SW1 LP as a party and to make certain consequential amendments. There will be no change to the calculation of the fees described above, but the Asset Management Fees will increase as a result of the increased asset base of the consolidated platform, and the guarantee fees may increase to the extent the Manager or an affiliate is asked to provide a guarantee on any indebtedness indirectly assumed by the Fund. There will be no duplication of fees as a result of the amendment and restatement of the Management Agreement.

INTERESTS OF EXPERTS

Certain legal matters in connection with the Transaction will be passed upon by Blake, Cassels & Graydon LLP, on behalf of Fund. As at the date of this Information Circular, partners and associates of Blake, Cassels & Graydon LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Fund, its associates or its affiliates and no interests in property of any of the Fund, its associates or its affiliates.

OTHER BUSINESS

Management of the Fund knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting for the Fund. However, if any other matters shall properly come before the Meeting, it is the intention of the persons named in the Proxy to vote on such matters in accordance with their best judgment.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Fund and SW1 LP is BDO Canada LLP, at its office located at 222 Bay St., Suite 2200, Toronto, Ontario M5J 2W4.

The transfer agent and registrar for the Fund is TSX Trust Company at its principal office located at 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1. If the Transaction Resolution is approved and the Transaction is implemented, the transfer agent and registrar for SW1 LP will be TSX Trust Company at its principal office located at 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1.

ADDITIONAL INFORMATION

Financial information is provided in the Fund's comparative annual financial statements and management's discussion and analysis for the year ended December 31, 2024. Copies of the Fund's financial statements for the year ended December 31, 2024, together with the auditors' report thereon and the accompanying management's discussion and analysis, the interim financials of the Fund and accompanying management's discussion and analysis for periods subsequent to the end of the Fund's last fiscal year, this Information Circular and additional information relating to the Fund are available to the public free of charge under the Fund's issuer profile on SEDAR+ at www.sedarplus.ca, the Fund's website at <https://www.starlightinvest.com> or upon request without charge to the Fund's head office located at 3280 Bloor Street West, Suite 1400, Centre Tower, Toronto, Ontario M8X 2X3, Attention: Miriam Levin, Executive Vice President, General Counsel (telephone: (416) 234-8444).

GLOSSARY OF TERMS

In this Information Circular, the following capitalized terms shall have the following meanings, in addition to other terms defined elsewhere in this Information Circular.

“affiliate” means an “affiliate” as defined under National Instrument 45-106 - *Prospectus Exemptions* of the Canadian Securities Administrators, as replaced or amended from time to time;

“affiliated entities” means an affiliated entity as defined under MI 61-101, as replaced or amended from time to time;

“Applicable Net Asset Value” means, in the case of SW1 LP and the Fund, the net asset value attributable to a class of units at closing of the Transaction after accounting for, in the case of SW1 LP, the SW1 Carried Interest Value, and in the case of SW2, the Fund Carried Interest Value;

“Appraisals” has the meaning set out under the heading *“Background to the Transaction—Appraisals”*;

“Appraiser” means Cushman & Wakefield ULC;

“Blair Franklin” means Blair Franklin Capital Partners Inc.;

“Board of Trustees” means the board of Trustees of the Fund;

“Business Combination Agreement” means the Business Combination Agreement made as of October 29, 2025 among the Fund, SW1 LP, Starlight Group and DDAP, and any amendments thereto made in accordance with such Business Combination Agreement;

“Business Day” means any day of the year, other than a Saturday, Sunday, any day on which major banks are closed for business in Toronto, Ontario or Vancouver, British Columbia;

“CDS” means CDS Clearing and Depository Services Inc.;

“Class A Units” means the trust units of the Fund, designated as “Class A Units”;

“Class B Units” means the trust units of the Fund, designated as “Class B Units”;

“Class C Units” means the trust units of the Fund, designated as “Class C Units”;

“Consideration” means the SW1 LP Class C Units to be issued to the Fund pursuant to the Transaction;

“CRA” means Canada Revenue Agency;

“DDAP” means D.D. Acquisitions Partnership, a general partnership formed under the laws of the Province of Ontario and an affiliate of Starlight Group, entitled to the existing Carried Interest in each of SW1 LP and the Fund, and that will be entitled to the carried interest going forward through ownership of the Special LP Units;

“Declaration of Trust” means the amended and restated declaration of trust of the Fund dated as of January 27, 2022, as it may be amended;

“Disinterested Unitholders” means all of the Unitholders, excluding the Interested Unitholders;

“DoT Amendments” has the meaning set out under *“The Transaction—DoT Amendments”*;

“Effective Date” means the date mutually agreed to by SW1 LP and the Fund upon which the closing conditions set out in the Business Combination Agreement have been satisfied or waived;

“Effective Time” means 7:30 a.m. (Toronto time) on the Effective Date, or such other time as the parties to the Business Combination Agreement may agree;

“Excluded Person” means (i) a Non-Resident or a “financial institution” within the meaning of the Tax Act; (ii) a Person, an interest in which is a “tax shelter investment” for the purposes of the Tax Act; (iii) a Person which would acquire an interest in SW1 LP as a “tax shelter investment” for the purposes of the Tax Act; or (iv) a Person who acts as a nominee on behalf of or for the benefit of a Person described in subsections (i) to (iii) of this definition;

“Exemptive Relief” has the meaning set out under *“Principal Legal Matters—Securities Law Matters”*;

“Fairness Opinion” means the opinion of Blair Franklin to the effect that, as of the date of such opinion and based upon and subject to the limitations, qualifications, assumptions and other matters set out therein, the Consideration to be received by the Fund is fair, from a financial point of view, to the Fund;

“Fund” means Starlight Western Canada Multi-Family (No. 2) Fund, a “closed-end fund” established pursuant to the laws of the Province of Ontario on November 30, 2021 pursuant to the initial declaration of trust of the Fund, and, where the context requires, includes its Subsidiaries;

“Fund Carried Interest Value” means an amount equal to the amount representing the fair market value as of the closing of the Transaction, as determined by the Fund and SW1 LP, of the Holding LP Class B Units based on the terms and conditions of the limited partnership agreement governing the Holding LP;

“Fund Entities” means, collectively, the Fund and each of its Subsidiaries and **“Fund Entity”** means any one of them;

“Governmental Entity” means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (iv) any stock exchange;

“Holder” has the meaning set out under the heading *“Certain Canadian Federal Income Tax Considerations”*;

“Holding GP” means Starlight Western Canada Multi-Family (No. 2) GP, Inc., a corporation incorporated under the laws of the Province of Ontario, and the general partner of Holding LP, and the general partner of the Holding LP;

“Holding LP” means Starlight Western Canada Multi-Family (No. 2) Holding LP, a limited partnership existing under the laws of the Province of Ontario;

“Holding LP Agreement” means the amended and restated limited partnership agreement governing the Holding LP dated as of February 22, 2022;

“Holding LP Class A Units” means the Class A limited partnership units in the capital of Holding LP;

“Holding LP Class B Units” means the Class B limited partnership units in the capital of Holding LP;

“Information Circular” means this management information circular dated November 12, 2025, together with all appendices hereto, distributed by the Fund in connection with the Meeting;

“Interested Unitholders” means collectively, Messrs. Drimmer, Liddell, Hirsh, and certain directors and senior officers of Starlight Group, and their respective affiliated entities;

“Intermediary” has the meaning set out under the heading *“General Proxy Matters—Non-Registered Holders”*;

“Law” means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise;

“Management Agreement” means the management agreement dated February 22, 2022 between the Manager, the Fund and the Holding LP;

“Manager” means Starlight Investments CDN AM Group LP, the asset manager of the Fund;

“Material Adverse Effect” has the meaning set out in the Business Combination Agreement, available under the Fund’s profile on SEDAR+;

“Meeting” means the special meeting of Unitholders, including any adjournment or postponement thereof in accordance with the terms of the Business Combination Agreement, to be called and held in a virtual format in accordance with the Declaration of Trust and Law to consider the Transaction Resolution;

“MI 61-101” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

“Non-Registered Holder” means a beneficial owner of Units that are registered either in the name of an Intermediary or in the name of a depository;

“Non-Resident” means either a “non-resident” of Canada within the meaning of the Tax Act or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act;

“Notice of Meeting” means the notice of special meeting of the Unitholders dated November 12, 2025 and delivered to Unitholders with this Information Circular;

“Ordinary Resolution” means a resolution of the unitholders, limited partners or shareholders of a Fund Entity, as the case may be, approved by not less than 50% of the votes cast by those persons who vote in person or by proxy at a duly convened meeting of the respective Fund Entity, or a written resolution signed by the unitholders, limited partners or shareholders of a Fund Entity, entitled, in the aggregate, to not less than 50% of the aggregate number of votes of those persons;

“Parties” means, collectively, the Fund and Starlight Group, and **“Party”** means any one of them;

“Person” includes any individual, partnership, limited liability company, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including any Governmental Entity), syndicate or other entity, whether or not having legal status;

“Proxy” means the form of proxy that accompanies this Information Circular;

“Record Date” means the record date to determine the entitlement of Unitholders to receive notice of, and to vote at, the Meeting, being the close of business (Toronto time) on November 7, 2025;

“Registered Unitholder” means a registered owner of Units;

“RESPs” means registered education savings plans as defined in the Tax Act;

“RRIFs” means registered retirement income funds as defined in the Tax Act;

“RRSPs” means registered retirement savings plans as defined in the Tax Act;

“SEDAR+” means the System for Electronic Data Analysis and Retrieval Plus at www.sedarplus.ca;

“Special LP Units” means a newly created class of non-voting limited partnership units of SW1 LP to be issued to DDAP pursuant to the Transaction, which will be entitled to receive, after payment of distributions in respect of an SW1 LP Unit of a subject class or a Unit of the Fund of a subject class of an amount equal to a minimum compounded annual return of 8% per annum on the Applicable Net Asset Value for an SW1 LP Unit of a subject class or a Unit of the Fund of a subject class, including, for greater certainty, a return of an amount equal to the Applicable Net Asset Value: (i) 50% of all further distributions payable in respect of a unit of such applicable subject class as a catch-up, until the holder of Special LP Units has received 20% of all distributions payable, and the holders of the units of the applicable subject class shall have received 80% of all distributions payable, in respect of the applicable subject class; and (ii) thereafter 20% of all distributions paid in respect of units of the applicable subject class;

“Special Resolution” means a resolution of the unitholders, limited partners or shareholders of a Fund Entity, as the case may be, approved by not less than 66 2/3% of the votes cast by those persons who vote in person or by proxy at a duly convened meeting of the respective Fund Entity, or a written resolution signed by the unitholders, limited partners or shareholders of a Fund Entity, entitled, in the aggregate, to not less than 66 2/3% of the aggregate number of votes of those persons;

“Starlight Group” means Starlight Group Property Holdings Inc., a British Columbia corporation;

“Subsidiary” means a Person that is controlled, directly or indirectly, by another Person, and includes a Subsidiary of that Subsidiary;

“SW1 Carried Interest Value” means an amount equal to the amount representing the fair market value as of the closing of the Transaction, as determined by the parties, of the entitlement of DDAP to distributions pursuant to Section 8.4 of the SW1 LP Limited Partnership Agreement in its capacity as Initial Limited Partner (as defined in the SW1 LP Limited Partnership Agreement), which for greater certainty does not include the value attributable to any SW1 LP Units held by DDAP;

“SW1 GP” means Starlight Western Canada Multi-Family GP, Inc., a corporation incorporated under the laws of the Province of Ontario and the general partner of SW1 LP;

“SW1 LP” means Starlight Western Canada Multi-Family Limited Partnership, a limited partnership that was established on October 21, 2020, under the laws of Ontario;

“SW1 LP Class A Units” means the Class A limited partnership units of SW1 LP, issuable in series, of which three series are outstanding on the date hereof;

“SW1 LP Class B Units” means the Class B limited partnership units of SW1 LP, issuable in series, of which three series are outstanding on the date hereof;

“SW1 LP Class C Units” means Class C limited partnership units in the capital of SW1 LP, to be created pursuant to the SW1 LPA Amendments and issued as consideration to SW2 in satisfaction of the SW2 Purchase Price, which shall initially have an Applicable Net Asset Value equal to the Applicable Net Asset Value of an SW1 LP Class A Unit at the time of closing of the Transaction;

“SW1 LP Limited Partnership Agreement” means the second amended and restated limited partnership agreement governing SW1 LP dated as of September 27, 2021;

“SW1 LP Units” means, prior to completion of the Transaction, the SW1 LP Class A Units and SW1 LP Class B Units, and following completion of the Transaction, will include the SW1 LP Class C Units;

“SW1 LPA Amendments” has the meaning set out under *“The Transaction—Transaction Mechanics”*;

“Tax Act” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time;

“Transaction” means, collectively, the transactions contemplated by the Business Combination Agreement;

“Transaction Resolution” means the special resolution approving the Transaction, including the transactions contemplated by the Business Combination Agreement, to be considered at the Meeting and attached as Appendix “A” to this Information Circular;

“Transfer Agent” means TSX Trust Company;

“Unitholder Approval” means (i) at least 66⅔% the votes cast on such resolution by Unitholders present virtually or presented by proxy at the Meeting and (ii) a simple majority of the votes attached to the Units held by Unitholders present virtually or represented by proxy, voting, subject to receipt of the Exemptive Relief, as a single class, at the Meeting, excluding for this purpose votes cast by Unitholders that are required to be excluded pursuant to MI 61-101;

“Unitholders” means the Registered Unitholders and Non-Registered Holders, as the context requires;

“Units” means, collectively, the Class A Units, the Class B Units and the Class C Units;

“Voting Instruction Form” has the meaning set out under the heading *“General Proxy Matters—Appointment of Proxies by Non-Registered Holders”*;

APPROVAL OF THE BOARD OF TRUSTEES

The contents and the sending of the Notice of Meeting and this Information Circular have been approved by the Board of Trustees of Fund, in their capacity as the trustees of the Fund.

DATED November 12, 2025,

**By Order of the Board of Trustees of
STARLIGHT WESTERN CANADA MULTI-
FAMILY (NO. 2) FUND**

By: *(signed) "Denim Smith"*

Chair of the Board of Trustees

CONSENT OF BLAIR FRANKLIN CAPITAL PARTNERS INC.

TO: The Board of Trustees of Starlight Western Canada Multi-Family (No. 2) Fund (the **"Board of Trustees"**)

We hereby consent to the references to our firm name and to the references to the fairness opinion of our firm dated October 29, 2025, contained under the headings *Background to the Transaction—The Transaction*, *Background to the Transaction—Reasons for the Unanimous Recommendation of the Board of Trustees*, *Background to the Transaction—Blair Franklin Capital Partners Inc. Fairness Opinion*, and *Risk Factors—Risks Related to the Transaction—Use of Fairness Opinion*, and to the inclusion of the full text of the foregoing fairness opinion as Appendix "B" to the management information circular of Starlight Western Canada Multi-Family (No. 2) Fund dated November 12, 2025. Our fairness opinion was given as at October 29, 2025 and remains subject to the assumptions, limitations, qualifications and other matters set forth therein. In providing such consent, we do not intend that any person other than the Board of Trustees shall be entitled to rely upon our opinion.

(Signed) *"Blair Franklin Capital Partners Inc."*

Toronto, Ontario

November 12, 2025

APPENDIX “A”
TRANSACTION RESOLUTION

BE IT RESOLVED THAT:

1. The transactions set out in the Business Combination Agreement (“**Business Combination Agreement**”) dated October 29, 2025 among Starlight Western Canada Multi-Family (No. 2) Fund (the “**Fund**”), Starlight Western Canada Multi-Family Limited Partnership, Starlight Group Property Holdings Inc. and D.D. Acquisitions Partnership, all as more particularly described and set forth in the management information circular of the Fund dated November 12, 2025 (the “**Information Circular**”), as may be modified, amended or supplemented, is hereby authorized, approved and adopted.
2. The Business Combination Agreement, and all transactions contemplated therein, the actions of the board of trustees of the Fund in approving the Transaction (as defined in the Business Combination Agreement) and the actions of the trustees and officers of the Fund in executing and delivering the Business Combination Agreement and any amendments thereto are hereby confirmed, ratified and approved and the causing of the performance by the Fund and its subsidiaries and equity investees of their respective obligations thereunder is hereby confirmed, ratified and approved.
3. The Trustees are hereby authorized to enter into an amendment or amended and restated declaration of trust to give effect to the DoT Amendments (as defined in the Information Circular).
4. The Fund is hereby authorized to take all actions necessary to effect the transfer of the SW2 Holding LP Class A Units (as defined in the Business Combination Agreement) and any trustees, directors or officers of each of the subsidiaries or equity investees of the Fund (or the directors or officers of the general partners of such entities, as applicable) are hereby authorized and empowered to execute any and all documents as shall be required to affect such transfer.
5. Notwithstanding that this resolution has been duly passed by the unitholders of the Fund, the board of trustees of the Fund is hereby authorized and empowered without further notice to or approval of the unitholders of the Fund to (i) amend the Business Combination Agreement to the extent permitted therein in any manner in order to effect the Transaction contemplated by the Business Combination Agreement, and (ii) decide not to proceed with the Transaction or revoke this resolution at any time prior to the completion of the Transaction.
6. Any one trustee or officer of the Fund is hereby authorized and directed for and on behalf of the Fund to execute, under the seal of the Fund or otherwise, and to deliver all documents and do all such other acts or things as such person determines to be necessary or desirable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

APPENDIX "B"
FAIRNESS OPINION

See attached.



STRICTLY PRIVATE & CONFIDENTIAL

October 29, 2025

STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND
3280 BLOOR STREET WEST, SUITE 1400
TORONTO, ONTARIO
M8X 2X3

To the Board of Trustees:

Blair Franklin Capital Partners Inc. ("**Blair Franklin**") understands that Starlight Western Canada Multi-Family (No. 2) Fund ("**Fund 2**") is considering a transaction whereby it would combine its assets, on a net asset value for net asset value basis, with Starlight Western Canada Multi-Family Limited Partnership ("**Fund 1**") (the "**Transaction**"). We understand that an affiliate of Starlight Group Property Holdings Inc. ("**Starlight Group**") is external manager ("**Manager**") to each of Fund 1 and Fund 2, and that the Transaction constitutes a related party transaction for Fund 2 under Multi-lateral Instrument 61-101.

The Transaction will be effected by, among other things, Fund 2 transferring its limited partnership interest in the subsidiary through which it owns the interests in its properties, Starlight Western Canada Multi-Family (No. 2) Holding LP ("**Holding LP**"), to Fund 1, in return for a new class of limited partnership units of Fund 1 (the "**Consideration**"). Starlight Group will then transfer the shares of the general partner of Fund 1 to Fund 2. The value of the interests in Holding LP and the value of the units of Fund 1 to be issued as consideration therefor will be based on the relative net asset values of Fund 2 and Fund 1, determined on the basis of third party appraisals.

As a result of the foregoing, Fund 2 is expected to own an approximate 60.3% interest in the combined pool of assets while the remaining limited partners of Fund 1 will own an approximate 39.7% interest in the combined pool of assets, in each case on a net asset value basis. The carried interest in both Fund 1 and Fund 2 that is owned by an affiliate of Starlight Group each will be settled by way of the issuance of limited partnership units of Fund 1 to such affiliate of Starlight Group at a price equal to the applicable net asset value of a Class A unit of Fund 1.

The Board of Trustees of Fund 2 (the “**Board**”) has retained Blair Franklin to provide its opinion (the “**Opinion**”) as to the fairness, from a financial point of view, of the Consideration to be received by Fund 2 pursuant to the Transaction. Blair Franklin has not been asked to prepare, and has not prepared, a formal valuation of Fund 2 and the Opinion should not be construed as such.

Engagement of Blair Franklin

The Board retained Blair Franklin and executed an engagement agreement dated September 10, 2025 (the “**Engagement Agreement**”). The Engagement Agreement provides for the payment to Blair Franklin of fixed fees in respect of the preparation and delivery of its Opinion. Blair Franklin’s fees under the Engagement Agreement are not contingent on the completion of the Transaction or any other transaction involving Fund 2, nor on the conclusions reached herein. In addition, Blair Franklin is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by Fund 2 in certain circumstances.

Relationship with Related Parties

Blair Franklin is not an insider, associate or affiliate (as such terms are defined in the *Securities Act* (Ontario)) of Fund 1, Fund 2, or Starlight Group, or any of their respective associates or affiliates. Other than services provided under the Engagement Agreement and other services provided to the Board, Blair Franklin has not provided any financial advisory services or participated in any financing within the past 24 months involving Fund 1, Fund 2, or Starlight Group, or any of their respective associates or affiliates.

There are no other understandings, agreements, or commitments between Blair Franklin and any of Fund 1, Fund 2, or Starlight Group, or any of their respective associates or affiliates, with respect to any current or future business dealings which is or would be material to Blair Franklin.

Credentials of Blair Franklin

Blair Franklin is an independent investment bank providing a full range of financial advisory services related to mergers and acquisitions, divestitures, minority investments, fairness opinions, valuations, and financial restructurings. Blair Franklin has been a financial advisor in a significant number of transactions throughout Canada and North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions in transactions similar to the Transaction.

The Opinion expressed herein is the opinion of Blair Franklin as a firm and the form and content herein has been approved for release by a committee of our principals, each of whom is experienced in mergers and acquisitions, divestitures, restructurings, minority investments, capital markets, fairness opinions and valuation matters.

Scope of Review

In preparing the Opinion, Blair Franklin has reviewed and relied upon, among other things:

1. Discussions with the externalized Manager of Fund 1 and Fund 2;
2. Discussions with Blake, Cassels & Graydon LLP, counsel to Fund 2;
3. Discussions with CIBC World Markets Inc. (“**CIBC**”), financial advisor to Fund 2;
4. The draft Business Combination Agreement (dated October 28, 2025);
5. The draft press release regarding the Transaction (dated October 29, 2025);
6. Access to the electronic data room provided by Management and CIBC including historical financial statements, financial forecasts, a merger model (most recently dated October 28, 2025), internal presentations, presentations to the Board, operating information, material contracts, pre- and pro-forma transaction organizational structures, unitholder information, and other items;
7. Financial forecasts of Fund 1 and Fund 2, including property-by-property detailed budgets and cash flows prepared by Management;
8. Property appraisal reports completed for each of Fund 1 and Fund 2’s individual properties, prepared by Cushman & Wakefield each dated August 15, 2025 (the “**Appraisals**”);
9. Comparable trading and comparable transaction multiples for selected companies and transactions considered relevant;
10. Equity research and general industry reports;
11. Public filings of Fund 2, including but not limited to, prospectuses, annual reports, quarterly reports, and other material documents for the past five years;
12. Press releases issued by Fund 2 for the past five fiscal years and to the date hereof;
13. A certificate provided to us by senior officers of the Manager as to certain factual matters;
14. Unitholder and insider information available on SEDI, the Canadian System for Electronic Disclosure by Insiders;
15. Such other information, documentation, analyses and discussions that we have considered relevant in the circumstances.

Blair Franklin has not, to the best of its knowledge, been denied access to any information that has been requested.

Blair Franklin has conducted such analyses, investigations and testing of assumptions as were considered by Blair Franklin to be appropriate in the circumstances for the purposes of arriving at its opinion as to the fairness, from a financial point of view, of the Consideration to be received by Fund 2 pursuant to the Transaction.

Assumptions and Limitations

The Opinion is subject to the assumptions, explanations and limitations hereinbefore described and as set forth below.

We have not been asked to prepare, and have not prepared, a formal valuation or appraisal of Fund 2 or any of its securities or assets and this Opinion should not be construed as such. We have, however, conducted such analyses as we considered necessary in the circumstances. In addition, the Opinion is not, and should not be construed as, advice as to the net asset value at which Fund 2 units, or its underlying properties, may transact at any future date.

With the Board's approval and as provided in the Engagement Agreement, Blair Franklin has relied, without independent verification, upon the completeness, accuracy and fair presentation in all material respects of all financial information and the completeness and accuracy of the other information, data, advice, opinions and representations obtained by it from public sources, Fund 2, Management and its associates and affiliates and advisors or otherwise (collectively, the "**Information**") and we have assumed that the historical information included in the Information did not omit to state any material fact or any fact necessary to be stated or necessary to make that Information not misleading in light of the circumstances in which it was made. This Opinion is conditional upon the completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as described herein, Blair Franklin has not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information. With respect to the forecasts, projections or estimates provided to Blair Franklin and used in the analysis supporting the Opinion, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the Manager as to the matters covered thereby at the time of preparation and, in rendering the Opinion, we express no view as to the reasonableness of such forecasts or budgets or the assumptions on which they are based.

Representatives of the Manager have represented to Blair Franklin in a certificate delivered as at the date hereof, among other things, that (i) the Information provided orally by, or in writing by, Fund 2 or any of its subsidiaries or its agents to Blair Franklin relating to Fund 2 for the purpose of preparing this Opinion was, at the date that the Information was provided to Blair Franklin, and is, at the date hereof, together with all other documents which have been filed by Fund 2 in compliance with its obligations under applicable securities laws (and to the extent not superseded by a subsequent filing), complete, true and correct in all material respects and did not and does not contain any untrue statement of a material fact in respect of Fund 2 or the Transaction and did not and does not omit to state a material fact in respect of Fund 2 or the Transaction necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; and that (ii) since those dates on which the Information was provided to Blair Franklin, except as was disclosed in writing to Blair Franklin, or as publicly disclosed, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Fund 2 and no

material change has occurred in the Information or any part thereof which would have, or which would reasonably be expected to have, a material effect on the Opinion.

Blair Franklin is not a legal, tax, or accounting expert, and we express no opinion concerning any legal, tax, or accounting matters concerning the Transaction or the sufficiency of this letter for your purposes.

Blair Franklin has made several assumptions in connection with its Opinion that it considers reasonable, including that, the conditions required to implement the Transaction will be met.

The Opinion is rendered on the basis of the securities markets, economic, financial and general business conditions prevailing as at the date hereof and the conditions, financial and otherwise, of Fund 2 and its subsidiaries and affiliates, as they were reflected in the Information and as they were represented to Blair Franklin in discussions with the Manager. In its analyses and in preparing the Opinion, Blair Franklin made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Blair Franklin or any party involved in the Transaction.

The Opinion has been provided to the Board for its use and may not be used or relied upon by any other person without the express prior written consent of Blair Franklin. Our Opinion is not intended to be and does not constitute a recommendation to the Board as to whether they should approve the Transaction nor as a recommendation to any unitholder of Fund 2 as to how to vote or act or as an opinion concerning the net asset value at which Fund 2 units, or its underlying properties, may transact at any future date. Our Opinion should not be construed as an opinion as to the fairness of the consideration to be received by the holders of the Units considered together or separately, but rather as an opinion as to the fairness of the consideration to be received by Fund 2.

The Opinion is given as of the date hereof and Blair Franklin disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of Blair Franklin after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, Blair Franklin reserves the right to change, modify or withdraw the Opinion.

Blair Franklin believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Fairness Conclusion

Based upon and subject to the foregoing and such other matters as we considered relevant, Blair Franklin is of the opinion that, as of the date hereof, the Consideration to be received by Fund 2 pursuant to the Transaction is fair from a financial point of view to Fund 2.

Yours very truly,

Blair Franklin Capital Partners Inc.

BLAIR FRANKLIN CAPITAL PARTNERS INC.

APPENDIX "C"
PRO FORMA FINANCIAL STATEMENTS

See attached.

Pro Forma Consolidated Financial Statements
(In thousands of Canadian dollars)

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

As at June 30, 2025 and for the six months ended June 30, 2025 and the year ended
December 31, 2024

(Unaudited)

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

Pro Forma Consolidated Statement of Financial Position

As at June 30, 2025

(In thousands of Canadian dollars)

(Unaudited)

	Starlight Western Canada Multi- Family (No. 2) Fund	Pro forma adjustments	Notes	Total
ASSETS				
Non-current assets:				
Investment properties	\$ 414,830	\$ 216,418	5(a)	\$ 639,400
		5,170	5(b)	
		2,982	5(b)	
Total non-current assets	414,830	224,570		639,400
Current assets:				
Resident and other receivables	75	123	5(a)	198
Prepaid expenses and other assets	1,295	559	5(a)	1,854
Restricted cash	1,284	872	5(a)	2,156
Cash	1,603	7,166	5(a)	13,334
		(2,982)	5(b)	
		8,033	5(c)	
		(115)	5(d)	
		(371)	5(e)	
Total current assets	4,257	13,285		17,542
TOTAL ASSETS	\$ 419,087	\$ 237,855		\$ 656,942
LIABILITIES				
Non-current liabilities:				
Loans payable	\$ 259,684	\$ 100,976	5(a)	\$ 369,583
	—	8,923	5(c)	
Total non-current liabilities	259,684	109,899		369,583
Current liabilities:				
Loans payable	2,829	30,708	5(a)	33,537
Distributions payable	377	164	5(a)	549
	—	8	5(e)	
Resident rental deposits	1,316	810	5(a)	2,126
Finance costs payable	714	230	5(a)	944
Accounts payable and accrued liabilities	2,442	854	5(a)	3,296
Total current liabilities	7,678	32,774		40,452
TOTAL LIABILITIES EXCLUDING NET LIABILITIES TO UNITHOLDERS AND NON-CONTROLLING INTERESTS	267,362	142,673		410,035
Net Liabilities attributable to Unitholders and non-controlling interests	151,725	91,396	5(a)	246,907
		5,170	5(b)	
		(890)	5(c)	
		(115)	5(d)	
		(379)	5(e)	
TOTAL LIABILITIES AND NET LIABILITIES ATTRIBUTABLE TO UNITHOLDERS AND NON-CONTROLLING INTERESTS	\$ 419,087	\$ 237,855		\$ 656,942

See accompanying notes to the pro forma consolidated financial statements including note 5(g) for a description of non-controlling interests.

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

Pro Forma Consolidated Statement of Income and Comprehensive Income

For the six months ended June 30, 2025

(In thousands of Canadian dollars)

(Unaudited)

	Starlight Western Canada Multi- Family (No. 2) Fund	Pro forma adjustments	Notes	Total
Revenue from property operations	\$ 10,912	\$ 5,883	5(a)	\$ 16,795
Expenses:				
Property operating costs	(2,401)	(1,512)	5(a)	(3,913)
Property taxes	(912)	(426)	5(a)	(1,338)
Income from rental operations	7,599	3,945		11,544
Fund and trust expenses	(1,076)	(548)	5(a)	(1,719)
	—	(95)	5(d)	
Finance costs	(5,150)	(1,820)	5(a)	(6,970)
	—	(240)	5(c)	(240)
Distributions to Unitholders	(2,264)	(988)	5(a)	(3,292)
	—	(40)	5(e)	
Fair value adjustment of investment properties	—	5,170	5(b)	5,170
Provision of carried interest	959	—	5(f)	959
Net income and comprehensive income attributable to Unitholders and non-controlling interests	\$ 68	\$ 5,384		\$ 5,452

See accompanying notes to the pro forma consolidated financial statements including note 5(g) for a description of non-controlling interests.

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

Pro Forma Consolidated Statement of Income (loss) and Comprehensive Income (loss)

For the year ended December 31, 2024

(In thousands of Canadian dollars)

(Unaudited)

	Starlight Western Canada Multi- Family (No. 2) Fund	Pro forma adjustments	Notes	Total
Revenue from property operations	\$ 21,611	\$ 11,409	5(a)	\$ 33,020
Expenses:				
Property operating costs	(4,921)	(2,843)	5(a)	(7,764)
Property taxes	(1,682)	(828)	5(a)	(2,510)
Income from rental operations	15,008	7,738		22,746
Fund and trust expenses	(2,266)	(1,116)	5(a)	(3,402)
	—	(20)	5(d)	
Finance costs	(11,035)	(3,425)	5(a)	(15,110)
	—	(650)	5(c)	
Interest Income	1,851	113	5(a)	1,964
Distributions to Unitholders	(4,353)	(1,891)	5(a)	(6,583)
	—	(339)	5(e)	
Fair value adjustment of investment properties	(5,903)	(4,506)	5(a)	(10,409)
Provision of carried interest	7,071	—	5(f)	7,071
Net income (loss) and comprehensive income (loss) attributable to Unitholders and non-controlling interests	\$ 373	\$ (4,096)		\$ (3,723)

See accompanying notes to the pro forma consolidated financial statements including note 5(g) for a description of non-controlling interests.

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

Notes to the Pro Forma Consolidated Financial Statements

For the six months ended June 30, 2025 and the year ended December 31, 2024

(In thousands of Canadian dollars, unless otherwise noted)

(Unaudited)

1. Nature of business

Starlight Western Canada Multi-Family (No. 2) Fund (the “Fund”) is a “closed-end” fund established pursuant to an initial declaration of trust dated November 12, 2021, as amended and restated from time to time (the “Declaration of Trust”) and governed by the laws of the Province of Ontario.

The Fund was established for the primary purpose of directly or indirectly acquiring, owning, operating and stabilizing a portfolio comprised of income-producing multi-family real estate properties in western Canada that demonstrate value based on pricing and local supply and demand trends to achieve the Fund’s target metrics by increasing in-place rents to market rents, revenue enhancement through ancillary income opportunities and operating expense reductions as a result of active asset management, and are located primarily on Vancouver Island and the mainland of the Province of British Columbia (“BC”), (collectively (the “Primary Markets”).

The accompanying pro forma consolidated financial statements of the Fund have been prepared on the basis that the Fund has entered into a business combination with Starlight Western Canada Multi-Family Limited Partnership (“SW1”), comprising of six multi-family properties to create a single investment platform comprising of fifteen multi-family properties totaling 1,413 suites, including the Fund’s existing portfolio of nine multi-family properties across Primary Markets, with an estimated aggregate value of \$639,400. As a result of this transaction, SW1 will become a subsidiary of the Fund with the Fund receiving new Class A Limited Partnership Units (“Class A LP Units”) of SW1 (“Unit Transfer”) and will retain approximately 60.3% of the consolidated structure, while the existing unitholders of SW1 (“Existing Unitholders”) will retain their units and collectively hold the remaining 39.7% through limited partnership interests in the Starlight Western Canada Multi-Family (No. 2) Holding LP (“Holding LP”). The accrued carried interests in both Fund and SW1 will be settled through the issuance of additional Class A LP Units of SW1 to an entity controlled by the Chief Executive Officer of the Fund, Daniel Drimmer (“DD”). In addition, DD will be issued a new class of Holding LP Special Limited Partnership Units of SW1 (“Special LP Units”) representing the go-forward carried interest in SW1, which will be reset to zero and will begin to accrue carried interest based on future returns of the SW1. The Fund will remain a public reporting entity and continue to be managed by Starlight Investments CDN AM Group LP (the “Manager”), which is a wholly owned subsidiary of Starlight Group Holdings Inc. (“Starlight Group”) and a related party.

The registered office of the Fund is located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto Ontario M8X 2X3.

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

Notes to the Pro Forma Consolidated Financial Statements

For the six months ended June 30, 2025 and the year ended December 31, 2024

(In thousands of Canadian dollars, unless otherwise noted)

(Unaudited)

2. Basis of presentation

(a) Statement of compliance:

These pro forma consolidated financial statements of the Fund and its subsidiaries have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and using the accounting policies described herein.

(b) Basis of measurement and going concern:

These pro forma consolidated financial statements have been prepared from the following historical financial statements, prepared in accordance with IFRS Accounting Standards:

- Unaudited condensed consolidated interim financial statements of the Fund for the three and six months ended June 30, 2025 and 2024.
- Audited consolidated financial statements of the Fund for the years ended December 31, 2024 and 2023.

The accompanying unaudited pro forma financial statements utilize accounting policies that are consistent with those disclosed in the audited financial statements of the Fund for the years ended December 31, 2024 and 2023 and were prepared in accordance with the recognition and measurement principles of IFRS Accounting Standards.

The unaudited pro forma financial statements are not a full set of financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the "Business Combination Agreement", the Declaration of Trust, the consolidated interim financial statements of the Fund for the three and six months ended June 30, 2025 and 2024 and the consolidated financial statements of the Fund for the years ended December 31, 2024 and 2023.

These pro forma consolidated financial statements give effect to:

- (i) The Unit Transfer;
- (ii) Establishment of non-controlling interest of 39.7% related to the Existing Unitholders; and
- (iii) Settlement of accrued carried interests in SW1 and the Fund through Unit Transfer.

The pro forma adjustments reflect the the acquisition of SW1 and the Unit Transfer. The consolidated pro forma financial statements have been prepared on a going concern basis.

The unaudited pro forma consolidated financial statements are presented for information purposes only and are not necessarily indicative of the financial position and results of operations that would have been achieved had the acquisition of SW1 and the Unit Transfer occurred on the dates indicated.

The underlying assumptions for the pro forma adjustments provide a reasonable basis for presenting the significant financial effects directly attributable to the SW1 business combination and the Unit Transfer. The pro forma adjustments are preliminary and are based on currently available financial information, certain estimates and assumptions and do not give effect to potential cost savings, operational synergies and revenue enhancements, if any, that may exist from the acquisition of SW1 and the Unit Transfer . Actual results could differ materially.

(c) Functional and presentation currency:

These pro forma consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Fund and its subsidiaries and all amounts have been rounded to the nearest thousand except when otherwise indicated.

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

Notes to the Pro Forma Consolidated Financial Statements

For the six months ended June 30, 2025 and the year ended December 31, 2024

(In thousands of Canadian dollars, unless otherwise noted)

(Unaudited)

3. Material accounting policies

(a) Basis of consolidation:

The pro forma consolidated financial statements statements comprise the financial statements of Fund and its subsidiaries. All intercompany transactions and account balances have been eliminated upon consolidation.

When Fund is exposed to or has rights to variable returns from its involvement with an investee and has the ability to affect those returns through its power over such investee, the investee is considered a subsidiary. The existence and effect of potential substantive voting rights that are currently exercisable or convertible are considered when assessing whether the Fund controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Fund and are de-consolidated from the date control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the Fund using consistent accounting policies.

(b) Critical judgments and estimates:

The preparation of pro forma consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that it believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in these pro forma consolidated financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The significant estimates and judgments used in determining the recorded amount for assets and liabilities in the pro forma consolidated financial statements include the following:

(i) Accounting for acquisitions:

Management must assess whether the acquisition of a property should be accounted for as an asset purchase or business combination. This assessment impacts the accounting treatment of transaction costs, the allocation of the costs associated with the acquisition and whether or not goodwill is recognized. The Fund's acquisitions are generally determined to be asset purchases as the Fund does not acquire an integrated set of activities that together significantly contribute to the ability to create outputs as part of the acquisition transaction. For asset acquisitions, the total cost is allocated to the identifiable assets and liabilities on the basis of their relative fair values on the acquisition date.

(ii) Financial instruments:

Critical judgments and estimates are also made in the determination of fair value of financial instruments and include assumptions and estimates regarding future interest rates, the relative creditworthiness of the Fund to its counterparties, the credit risk of the Fund's counterparties relative to the Fund, the estimated future cash flows and discount rates.

(iii) Investment properties:

The estimates used when determining the fair value of investment properties are capitalization rates and stabilized future cash flows. The capitalization rate applied is reflective of the characteristics, location and market of each investment property. The stabilized future cash flows of each investment property are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Fund typically determines fair value internally utilizing financial information, external market data and capitalization rates provided by independent industry experts through third-party appraisals for the its properties. In addition, the Fund obtains valuations from third-party appraisers at least once annually for each its property.

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

Notes to the Pro Forma Consolidated Financial Statements

For the six months ended June 30, 2025 and the year ended December 31, 2024

(In thousands of Canadian dollars, unless otherwise noted)

(Unaudited)

(iv) Carried interest:

Based on the Unit Transfer, the accrued carried interests of the the Fund and SW1 will be settled through the issuance of Class A LP Units of SW1 and DD will be issued Special LP Units of SW1 representing the go-forward carried interest in SW1, which will be reset to zero and will begin to accrue carried interest based on future returns of the SW1;

(c) Investment properties:

The Fund selected the fair value method to account for real estate classified as investment property. A property is determined to be an investment property when it is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business. Investment properties include land and building structures, as well as residential suites situated on the properties. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in the pro forma consolidated statement of income (loss) and comprehensive income (loss) in the period in which they arise.

Fair values are primarily determined by using the capitalized net operating income ("NOI") method which applies a capitalization rate to the future stabilized cash flows of the property. The capitalization rate applied is reflective of the characteristics, location and market of the property. The stabilized cash flows of the property are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Fund determines fair value internally utilizing internal financial information, external market data and capitalization rates provided by industry experts and third-party appraisals. Gains and losses arising from changes in the fair value or disposal of investment properties are included in the pro forma consolidated statement of income (loss) and comprehensive income (loss) in the period in which they arise. Subsequent capital expenditures are added to the carrying value of investment properties only when it is probable that future economic benefits will flow to the property and the cost can be measured reliably.

(d) Cash and restricted cash:

Cash includes unrestricted cash and balances held with banks. Restricted cash includes cash on hand which can only be used for specified purposes including resident security deposits and other cash held by third parties on behalf of the Fund. The Fund may also internally restrict cash, if necessary.

(e) Revenue recognition:

The Fund has retained substantially all the risks and benefits of ownership of its investment properties and therefore accounts for its leases with residents as operating leases.

Revenue from investment properties includes all rental income earned from the property, including residential rental income, parking income and all other incidental income paid by the residents and other vendors under the terms of their existing leases and contracts. Revenue recognition under a lease commences when a resident has a right to use the leased asset and collection is reasonably assured. Revenue is recognized pursuant to the terms of the lease agreements.

Amounts collected from residents are recognized as income when due, which, due to the short-term nature of the leases, approximates straight-line revenue recognition. Lease incentives granted are recognized as an integral part of the total rental revenue over the term of the leases. All other incidental income is recognized as revenue upon provision of goods and services when collectability is reasonably assured.

Operating expense recoveries are recognized in the period in which recoverable costs are chargeable to residents. Where a resident is legally responsible for operating expenses and pays them directly in accordance with the terms of the lease, the Fund does not recognize the expenses or any related recovery revenue.

The Fund uses an allowance for uncollectible amounts to recognize the inability of residents to meet the contractual obligations under their lease agreements. Under this method, all receivables from past residents and

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

Notes to the Pro Forma Consolidated Financial Statements

For the six months ended June 30, 2025 and the year ended December 31, 2024

(In thousands of Canadian dollars, unless otherwise noted)

(Unaudited)

resident receivable balances exceeding 90 days are provided for as bad debt expense in the statement of net income and comprehensive income.

(f) Finance costs and distribution to Unitholders:

Finance costs comprise interest expense on loans payable and amortization of financing costs related to loans payable and guarantee fees. Finance costs associated with financial liabilities presented at amortized cost are recognized in net income (loss) and comprehensive income (loss) using the effective interest method. Distributions to the holders of all the classes of units (the "Unitholders") are recognized into net income (loss) and comprehensive income (loss) in the period in which they are declared.

(g) Financial instruments:

Financial assets are classified and measured based on one of the following three categories:

- (i) Fair value through profit and loss ("FVTPL");
- (ii) Fair value through other comprehensive income ("FVTOCI"); and
- (iii) Amortized cost

Financial liabilities are classified and measured based on one of the following two categories:

- (i) FVTPL; and
- (ii) Amortized cost

Financial instruments are recognized initially at fair value. Financial instruments classified at FVTPL are subsequently measured at fair value with gains and losses recognized in profit and loss. Financial instruments classified as FVTOCI are subsequently measured at fair value and any unrealized gains or losses are recognized through other comprehensive income.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Fund's business model for managing them.

Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- (i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principals and interests on the principal amount outstanding.

For all financial assets, the Fund makes an assessment of the objective of the business model in which a financial asset is held in order to determine the appropriate classification.

In assessing whether the contractual cash flows are solely payments of principals and interests, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Fund considers:

- (i) Contingent events that would change the amount or timing of cash flows;
- (ii) Terms that may adjust the contractual coupon rate, including variable-rate features; prepayment and extension features; and

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- (iii) Terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features).

The Fund has made the following classifications and measurement determinations for its financial assets and liabilities:

	Classification/Measurement
Financial assets:	
Resident and other receivables	Amortized cost
Prepaid expenses and other assets	Amortized cost
Restricted cash	Amortized cost
Cash	Amortized cost
Financial liabilities:	
Loans payable	Amortized cost
Distributions payable	Amortized cost
Resident rental deposits	Amortized cost
Finance costs payable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Transaction costs that are directly attributable to the acquisition or issuance of financial assets or liabilities, other than financial assets and liabilities measured at FVTPL, are accounted for as part of the carrying amount of the respective asset or liability at inception. Transaction costs related to financial instruments measured at amortized cost are amortized using the effective interest rate ("EIR") over the anticipated life of the related instrument. Transaction costs on financial assets and liabilities measured at FVTPL are expensed in the period incurred. Financial assets are derecognized when the contractual rights to the cash flows from financial assets expire or have been transferred.

The Fund recognizes an allowance for expected credit losses ("ECL") for financial assets measured at amortized cost at each reporting date. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which are determined on a probability weighted basis. Impairment losses, if incurred, would be recorded as expenses in the pro forma consolidated statement of income (loss) and comprehensive income (loss) with the carrying amount of the financial asset or group of financial assets reduced through the use of impairment allowance accounts.

The Fund's net liabilities attributable to Unitholders have been classified as financial liabilities under International Accounting Standards ("IAS") 32, Financial instruments - presentation.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Financial liabilities are discharged when the contractual obligations are discharged, canceled or expired.

Canadian status

The Fund qualifies as a mutual fund trust for Canadian income tax purposes pursuant to the Income Tax Act (Canada) (the "Tax Act"). In accordance with the terms of the Declaration of Trust, the Fund intends to distribute its income for income tax purposes each year to such an extent that it will not be liable for income taxes under Part I of the Tax Act. The Fund is eligible to claim a tax deduction for distributions paid and intends to continue to meet the requirements under the Tax Act. Accordingly, no provision for income taxes payable is required or has been made. Income tax obligations relating to distributions of the Fund are the obligations of the Unitholders.

The Tax Act also contains Specified Investment Flow-through ("SIFT") rules regarding the taxation of certain types of publicly listed or traded trusts and partnerships and their investors (the "SIFT Measures"). A "SIFT partnership" (as defined in the Tax Act) will be subject to SIFT tax under Part IX.1 on its "taxable non-portfolio

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earnings" (as defined in the Tax Act) at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations.

The "taxable non-portfolio earnings" less SIFT tax payable by a SIFT partnership will also be included in computing income of the Unitholders for purposes of the Tax Act as though it were a taxable dividend from a taxable Canadian corporation, subject to the detailed provisions of the Tax Act. The SIFT Measures do not apply to a partnership that does not hold any "non-portfolio property" (as defined in the Tax Act) throughout the taxation year of the partnership.

The Fund believes that it does not hold any "non-portfolio property" and is not a SIFT partnership and therefore not subject to the SIFT Measures. Additionally, the partnership agreement explicitly prohibits, at any time, the partnership from owning any "non-portfolio property". Accordingly, no provision has been made for tax under the SIFT Measures. The Fund intends to continue to operate the Fund in such a manner so as to remain exempt from the SIFT Measures on a continuous basis in the future. However, the Fund's continued exemption will depend upon meeting, through actual operating results, various conditions imposed by the SIFT Measures. If the Fund becomes a SIFT partnership, it will be generally subject to income taxes at regular Canadian corporate rates on its taxable non-portfolio earnings, if any.

(h) Provisions:

A provision is a liability of uncertain timing or amount. Provisions are recognized when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value for the expenditures expected to settle the obligation using a discount rate that reflects current market assessment considering the time value of money and the risks specific to the obligation. Provisions are re-measured at each statement of financial position date using the current discount rate. The increase in the provision due to the passage of time is recognized as a finance cost.

4. Adoption of accounting standards

(a) Future accounting policy changes:

(i) IFRS 18 Presentation and Disclosure in Financial Statements:

The new standard, IFRS 18, replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1. IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. It introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies. The standard is effective for annual periods beginning on or after January 1, 2027, with restatement of the comparative period being required and early application permitted. The Fund is currently evaluating the impact of this amendment on future periods and does not anticipate a material impact to the Fund as a result of IFRS 18.

(ii) IFRS 19 Subsidiaries without Public Accountability: Disclosures:

The new standard, IFRS 19, enables subsidiaries to keep only one set of accounting records to meet the needs of both their parent company and the users of their financial statements and reduces disclosure requirements. The standard is effective for annual periods beginning on or after January 1, 2027, with early application permitted. The Fund is currently evaluating the impact of this amendment on future periods and does not anticipate a material impact to the Fund as a result of IFRS 19.

(iii) Amendments to the Classification and Measurement of Financial Instruments which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

The amendments will address diversity in accounting practice by making the requirements more understandable and consistent. These amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. The Fund is currently evaluating the impact of these amendments on future periods.

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5. Pro forma adjustments:

The pro forma adjustments to the pro forma consolidated financial statements have been prepared to account for the acquisition of SW1 and other pro forma adjustments as described below:

(a) SW1 acquisition:

Assuming the acquisition of SW1 took place at June 30, 2025, the impact on the unaudited pro forma consolidated statement of financial position would be as follows:

	June 30, 2025
Number of multi-family properties	6
Investment properties	\$ 216,418
Add:	
Resident and other receivables	123
Prepaid expenses and other assets	559
Restricted cash	872
Cash	7,166
	225,138
Deduct:	
Loans payable	(131,684)
Distributions payable	(164)
Resident rental deposits	(810)
Finance costs payable	(230)
Accounts payable and accrued liabilities	(854)
Net assets acquired	\$ 91,396

The impact of acquisition of SW1 on the unaudited pro forma consolidated statements of (loss) income and comprehensive (loss) income for the six months ended June 30, 2025 and the year ended December 31, 2024 is as follows:

	Six months ended June 30, 2025	Year ended December 31, 2024
Number of multi-family properties	6	6
Revenue from property operations	\$ 5,883	\$ 11,409
Expenses:		
Property operating costs	(1,512)	(2,843)
Property taxes	(426)	(828)
Income from rental operations	3,945	7,738
Fund and trust expenses	(548)	(1,116)
Finance costs	(1,820)	(3,425)
Interest Income	—	113
Distributions to Unitholders	(988)	(1,891)
Fair value adjustment of investment properties	—	(4,506)
Net income (loss) and comprehensive income (loss)	\$ 589	\$ (3,087)

(b) Investment properties

Investment properties have been adjusted by the following:

- (i) An increase of \$5,170 to align with the most recent appraised values of the Fund's properties, including acquired properties of SW1; and

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- (ii) An increase of \$2,982 representing estimated transaction costs expected to be incurred and capitalized in related to the acquisition of SW1.

(c) Loans payable:

SW1 is expected to enter into additional non-revolving term credit facilities with a Canadian chartered bank amounting to \$8,923 (net of deferred financing costs of \$497). The credit facilities will be secured by a second charge against SW1's investment properties. The credit facilities will be subject to interest at the bank's prime rate plus 1.0% per annum or, at the borrower's option at the time of advance, at variable index rates based on the Canadian Overnight Repo Rate Average plus an interest rate spread.

As a result of these additional credit facilities, finance costs have been adjusted to reflect incremental interest expense of \$240 and \$650 for the six months ended June 30, 2025 and year ended December 31, 2024, respectively. These pro forma adjustments assume that the credit facilities had occurred on January 1, 2024.

(d) Fund and trust expenses

Fund and trust expenses have been adjusted to reflect the estimated amount of fund and trust expenses to be incurred by the Fund amounting to \$95 and \$20 for the six months ended June 30, 2025 and the year ended December 31, 2024, respectively. General and administrative costs within fund and trust expenses include legal fees, audit fees, tax fees, board trustee fees, directors and office insurance, travel costs, and other miscellaneous costs. These amounts reflect the best estimate for annual general and administrative expenses for the Fund.

(e) Distributions payable:

The Fund's annual distribution yield is targeted at 3.0%. As a result, distribution expense has been adjusted to increase by \$40 and \$339 for the six months ended June 30, 2025 and the year ended December 31, 2024, respectively. A corresponding increase of \$8 has been reflected in distributions payable as of June 30, 2025.

(f) Provision of carried interest:

As part of the Unit Transfer, accrued carried interests of the Fund and SW1 will be settled through the issuance of additional Class A LP Units of SW1 to DD as well as issuing Special LP Units of SW1 to DD, representing the go-forward carried interest in the SW1, which will be reset to zero and will begin to accrue carried interest based on future returns of SW1 (note 2(b)(ii)). As at June 30, 2025, the Fund had recognized a provision for carried interest of \$nil (December 31, 2024 - \$959), resulting in a recovery of \$959 and \$7,071 for the six months ended June 30, 2025 and the year ended December 31, 2024. As the Fund had no remaining carried interest liability as at June 30, 2025 and all previously accrued amounts were reversed, no Fund carried interest was converted into Class A LP Units of SW1 (note 5(g)).

(g) Establishment of the Fund:

The Fund is a "closed end" fund established pursuant to Declaration of Trust. Assuming the Unit Transfer occurred as at January 1, 2024, the Fund estimates the following revised revised outstanding number of units as a result of the Unit Transfer.

Unit Class	No. of Units ⁽¹⁾
SW1 Class A	3,079,959
SW1 Class B	5,333,880
Fund Class A	4,155,477
Fund Class B	5,373,577
Fund Class C	3,387,550

⁽¹⁾ The above calculation of units is based on number of units outstanding as at the date of issuance of these pro forma financial statements and is subject to change leading upto the date of closing of the Unit Transfer.

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Following the Unit Transfer, the Fund holds a 60.3% ownership interest in SW1, while the Existing Unitholders collectively hold 39.7%. As a result, the Existing Unitholders represent the non-controlling interest in SW1. The Fund has control over SW1 and its subsidiaries and has therefore fully consolidated their financial position and results of operations in these pro forma consolidated financial statements.

6. Transactions with related parties

Pursuant to the amended management agreement (the "Management Agreement"), the Manager will be providing certain management services related the Fund's properties as outlined below:

(a) Pursuant to the Management Agreement, the Manager is to perform asset management services for fees equal to 0.35% of the fair market value as prescribed by the most recent annual appraisals of the properties ("Gross Asset Value"), with the initial Gross Asset Value being the purchase price of the properties paid or deemed paid by the Fund.

(b) Pursuant to the Management Agreement, the Manager is entitled to receive an acquisition fee in respect of properties acquired, directly or indirectly, by the Fund as a result of such properties having been presented to the Fund by the Manager calculated as 1.0% of the purchase price of a property.

(c) Pursuant to the Management Agreement, in the event that the Manager is required by the lenders of the Fund to provide a financing guarantee in connection with the amount borrowed by the Fund or its wholly owned subsidiaries relating to a property, the Fund will, in consideration for providing such guarantee, in aggregate, pay the Manager a guarantee fee represented by an annual amount equal to 0.15% of the then-outstanding amount of such guaranteed funds. This fee is calculated and payable in arrears on the first day of each month.

For purposes of the unaudited pro forma consolidated financial statements, there has been no adjustment to the historical asset management fees, acquisition fees or guarantee fees recorded pertaining to the properties as the Fund does not expect to incur different fees under the Management Agreement in relation to its previous arrangement with the Manager.

7. Risk management

The Fund's activities expose it to credit risk, market risk, liquidity risk and other risks. These risks and the actions taken to manage them are as follows:

(a) Credit risk:

Credit risk is the risk that: (i) counterparties to contractual financial obligations will default; and (ii) the possibility that the residents may experience financial difficulty and be unable to meet their rental obligations. The Fund's properties mitigate the risk of credit loss with respect to residents by evaluating creditworthiness of new residents, obtaining security deposits wherever permitted by legislation, utilizing third party collection agencies for longstanding balances due from residents.

The Fund monitors its collection experience on at least a weekly basis and ensures that a stringent policy is adopted to provide for all past due amounts. Subsequent recoveries of amounts previously written-off are credited in the pro forma consolidated statement of income (loss) and comprehensive income (loss).

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of financial assets or liabilities will fluctuate due to movements in market prices. The investment properties are subject to the risks associated with debt financing, including the risk that certain loans may not be refinanced on terms as favourable as those of the existing indebtedness, in the event that such refinancings occur in future periods. As at June 30, 2025, the Fund's investment properties have been reported at fair value which reflects the Fund's best estimate of future cash flows and capitalization rates applicable to the investment properties.

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The fair values are based on capitalization rates that are provided by third-party appraisals. Although the valuations utilize the best available information to determine the capitalization rates used for purposes of the valuations of the Fund's investment properties as at June 30, 2025, the period leading up to June 30, 2025 experienced limited comparable sales for the appraisers to rely on as a result of broader market conditions, including certain owners of multi-family properties delaying sales as a result of interest rate uncertainty and concerns relating to the potential economic impact of tariffs imposed by the United States. The Manager will continue to evaluate comparable sales transactions as additional comparable sales data occurs under current market conditions.

(c) Liquidity risk:

Liquidity risk is the risk that the Fund may encounter difficulties in meeting its financial obligations as they come due. To mitigate the risk associated with liquidity, management's strategy is to ensure, to the extent possible, that it always has sufficient financial assets to meet its financial liabilities when they come due, by forecasting cash flows from operations and anticipated investing and financing activities. All of the Fund's current liabilities have contractual maturities of less than 12 months and are subject to normal trade terms.

8. Fair value measurement of financial instruments

The Fund uses various methods in estimating the fair values recognized in the pro forma consolidated financial statements. The fair value hierarchy reflects the significance of inputs used in determining the fair values:

- Level 1 - quoted prices in active markets;
- Level 2 - inputs other than quoted prices in active markets or valuation techniques where significant inputs are based on observable market data; and
- Level 3 - valuation technique for which significant inputs are not based on observable market data.

The following summarizes the significant methods and assumptions used in estimating fair values of the Fund's financial instruments:

- The fair value of the Fund's financial assets, which include resident and other receivables, restricted cash and cash, as well as financial liabilities, which include resident rental deposits, accounts payable and accrued liabilities, finance cost payable and distributions payable, approximate their carrying amounts due to their short-term nature (Level 1); and
- The fair value of loans payable is estimated based on the current market rates for debt with similar terms and conditions (Level 2). The fair value of the Fund's loans payable as at June 30, 2025 approximated their carrying value.
- Net liabilities attributable to Unitholders are considered as Level 3 financial instruments due to the extent of assumptions required beyond observable market data to derive the fair values.

