



2699 Peatt Road, Langford, British Columbia

**STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS**
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025
November 18, 2025

STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND - Q3 2025 MD&A

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FUND TARGETS

- **ANNUAL PRE-TAX TARGETED DISTRIBUTION YIELD: 3.0% to 4.0%**
- **PRE-TAX TARGETED TOTAL RETURN: 12.0%**

5477 200 Street
Langley, British Columbia



1803 31A Street
Vernon, British Columbia



1085 Goldstream Avenue
Langford, British Columbia



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of the unaudited condensed consolidated interim financial statements of Starlight Western Canada Multi-Family (No. 2) Fund (the "Fund") dated November 18, 2025 for the three months ended September 30, 2025 ("Q3-2025") and for the nine months ended September 30, 2025 ("YTD-2025") should be read in conjunction with the Fund's unaudited condensed consolidated interim financial statements for the three months ended September 30, 2024 ("Q3-2024") and the nine months ended September 30, 2024 ("YTD-2024") and the Fund's audited consolidated financial statements for the year ended December 31, 2024, both of which have been prepared in accordance with IFRS Accounting Standards ("IFRS"). These documents are available on SEDAR+ at www.sedarplus.ca.

The Fund's presentation currency is Canadian dollars. Unless otherwise stated, dollar amounts expressed in this MD&A are in thousands of Canadian dollars, except for per trust unit of the Fund ("Unit") and average monthly rent ("AMR") Non-IFRS measures are reported throughout this MD&A. For further information on non-IFRS measures, please refer to the "Non-IFRS Financial Measures" section.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking information within the meaning of Canadian securities laws and which reflect the Fund's current expectations regarding future events, including the overall financial performance of the Fund and its properties (the "Properties"), the impact of elevated levels of inflation and interest rates and uncertainty surrounding U.S. tariffs. Forward-looking information is provided for the purposes of assisting the reader in understanding the Fund's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes.

Forward-looking information may relate to future results, the impact of inflation levels and interest rates, acquisitions, financing, performance, achievements, events, prospects or opportunities for the Fund or the real estate industry and may include statements regarding the financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, occupancy levels, AMR, taxes, and plans and objectives of or involving the Fund. Particularly, matters described in "Future Outlook" are forward-looking information. In some cases, forward-looking information can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "goal", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking statements involve known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities may not be achieved. Those risks and uncertainties include: the extent and sustainability of potential higher levels of inflation and the potential impact on the Fund's operating costs; the impact of any tariffs and retaliatory tariffs on the economy; changes in government legislation or tax laws which would impact any potential income taxes or other taxes rendered or payable with respect to the Properties or the Fund's legal entities; the impact of elevated interest rates and inflation; the extent to which favorable operating conditions achieved during historical periods may continue in future periods; the applicability of any government regulation concerning the Fund's residents or rents; the realization of property value appreciation and the timing thereof; the extent and pace at which any changes in interest rates that impact the Fund's weighted average interest rate may occur; and the availability of debt financing. A variety of factors, many of which are beyond the Fund's control, affect the operations, performance and results of the Fund and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results.

There are numerous risks and uncertainties which include, but are not limited to, risks related to the Units, risks related to the Fund and its business including inflation and changes in interest rates. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements as there can be no assurance actual results will be consistent with such forward-looking statements. Although the Fund believes the expectations reflected in such forward-looking information are reasonable and represent the Fund's projections, expectations and beliefs at this time, such information involves known and unknown risks and uncertainties which may cause the Fund's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially from the Fund's expectations include, among other things, the impact of inflation, the availability of mortgage financing and the interest rates for such financing, and general economic and market factors, including interest rates, business competition and changes in government regulations or in tax laws.

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See the “Risks and Uncertainties” section and the reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information.

Information contained in forward-looking information is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management’s perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the following: the applicability of any government regulation concerning the Fund’s residents or rents; the realization of property value appreciation and the timing thereof; the inventory of residential real estate properties; the ability of the Fund to benefit from any asset management initiatives at certain Properties; the price at which the Properties may be disposed and the timing thereof; closing and other transaction costs in connection with the disposition of the Properties; availability of mortgage financing and current rates and market expectations for future interest rates; the uncertainty related to the closing of proposed business combination and the timing thereof; the capital structure of the Fund; the extent of competition for residential properties; the growth in net operating income (“NOI”) generated from asset management initiatives; the population of residential real estate market participants; assumptions about the markets in which the Fund operates; expenditures and fees in connection with the maintenance, operation and administration of the Properties; the ability of Starlight Investments CDN AM Group LP (the “Manager”) to manage and operate the Properties; the global and Canadian economic environment; the impact, if any, of inflation on the Fund’s operating costs; and governmental regulations or tax laws. There can be no assurance regarding: (a) inflation or changes in interest rates on the Fund’s business, operations or performance; (b) the Fund’s ability to mitigate such impacts; (c) credit, market, operational, and liquidity risks generally; (d) that the Manager or any of its affiliates, will continue its involvement as asset manager of the Fund in accordance with its current asset management agreement; and (e) other risks inherent to the Fund’s business and/or factors beyond its control which could have a material adverse effect on the Fund.

The forward-looking information included in this MD&A relates only to events or information as of the date on which the statements are made in this MD&A. Except as specifically required by applicable Canadian securities law, the Fund undertakes no obligation to update or revise publicly any forward-looking information, whether because of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

NON-IFRS FINANCIAL MEASURES

Certain terms used in this MD&A such as adjusted funds from operations (“AFFO”), AMR, adjusted net income and comprehensive income (“Adjusted Net Income and Comprehensive Income”), cash provided by operating activities including interest costs (“Cash Provided by Operating Activities Including Interest Costs”), economic occupancy (“Economic Occupancy”), physical occupancy (“Physical Occupancy”), funds from operations (“FFO”), gross book value (“Gross Book Value”), indebtedness (“Indebtedness”), indebtedness coverage ratio (“Indebtedness Coverage Ratio”), indebtedness to gross book value (“Indebtedness to Gross Book Value”), interest coverage ratio (“Interest Coverage Ratio”) and NOI as well as other measures discussed elsewhere in this MD&A are not measures defined under IFRS as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net income and comprehensive income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. AFFO, AMR, Adjusted Net Income and Comprehensive Income, Cash Provided by Operating Activities Including Interest Costs, Economic Occupancy, Physical Occupancy, FFO, Gross Book Value, Indebtedness, Indebtedness Coverage Ratio, Indebtedness to Gross Book Value, Interest Coverage Ratio and NOI, as computed by the Fund, may not be comparable to similar measures as reported by other issuers or companies in similar or different industries. The Fund uses these measures to better assess the Fund’s underlying performance and provides these additional measures so that investors may do the same.

Adjusted Net Income and Comprehensive Income is defined as net income and comprehensive income in accordance with IFRS before provisions for carried interest plus amortization of financing costs, fair value adjustments on investment properties, distributions to unitholders of the Fund (“Unitholders”) and any other one-time income or expenses. Adjusted Net Income and Comprehensive Income is used in calculating certain ratios described below.

FFO is defined as net income and comprehensive income in accordance with IFRS, excluding fair value adjustments on investment properties, distributions to Unitholders classified as financial liabilities, provisions for carried interest and any other one-time income or expenses. FFO is a measure of operating performance based on the funds generated from the business before reinvestment or provision for other capital needs. FFO is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of operating performance and is calculated in accordance with Real Property Association of Canada (“RPAC”). The most comparable IFRS measures to FFO are cash flow from operating activities and net income and comprehensive income.

FFO payout ratio (“FFO Payout Ratio”) compares distributions declared to FFO and is calculated by taking distributions

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declared and dividing by FFO in a given reporting period. The Manager considers this non-IFRS measure to be an important performance measure to determine the sustainability of future distributions paid to Unitholders.

AFFO is defined as FFO subject to certain additional adjustments, including: (i) amortization of fair value mark-to-market adjustments on loans assumed; (ii) amortization of financing costs; and (iii) deduction of a reserve for normalized maintenance capital expenditures and suite make-ready costs, as determined by the Fund. Other adjustments may be made to AFFO as determined by the Manager. AFFO is presented in this MD&A as the Manager considers this non-IFRS measure to be an important performance measure to determine the sustainability of future distributions paid to Unitholders after a provision for maintenance capital expenditures. AFFO should not be interpreted as an indicator of cash generated from operating activities, as it does not consider changes in working capital. AFFO has not been calculated in accordance with the RPAC definition, as the Fund adjusts for non-cash items to better measure the sustainability of future distributions. This MD&A does not include a presentation of adjusted cash flow from operations as defined by RPAC. The most comparable IFRS measures for AFFO are cash flow from operating activities and net income and comprehensive income.

AFFO payout ratio ("AFFO Payout Ratio") is calculated by taking distributions declared and dividing by AFFO in a given reporting period. The Manager considers this non-IFRS measure to be an important performance measure to determine the sustainability of future distributions paid to Unitholders.

AMR is defined as the total in place rents divided by the total number of multi-family suites occupied as at the reporting date.

Cash Provided by Operating Activities Including Interest Costs, is a measure of the amount of cash generated from operating activities including interest costs, and is presented in this MD&A as the Manager considers this non-IFRS measure when determining the sustainability of future distributions paid to Unitholders.

Economic Occupancy is calculated by taking effective net rent after considering vacancy and concessions and dividing by gross potential rent. The Manager considers this an important operating metric to evaluate the extent to which revenue potential is being realized. The Fund also uses Physical Occupancy, which is calculated by taking the number of occupied suites as at the reporting date divided by the total number of suites owned by the Fund as at the reporting date.

Gross Book Value is defined as the fair market value of the investment properties as determined in accordance with IFRS. Gross Book Value is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's financial condition. The most comparable IFRS measure for Gross Book Value is investment properties.

Indebtedness is defined as the principal amount of loans payable outstanding as at a specific reporting date. Indebtedness is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's financial condition. The most comparable IFRS measure for Indebtedness is loans payable.

Indebtedness Coverage Ratio is defined as Adjusted Net Income and Comprehensive Income plus interest expense divided by interest and mandatory principal payments on the Fund's loans payable for a specific reporting period. Generally, a higher Indebtedness Coverage Ratio demonstrates a stronger ability to satisfy the Fund's debt service obligations. Indebtedness Coverage Ratio is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the amount of cash flow available to meet annual principal and interest payments and ultimately the ability of the Fund to make cash distributions to Unitholders.

Indebtedness to Gross Book Value is defined as the Fund's Indebtedness divided by the Gross Book Value of the Properties. Indebtedness to Gross Book Value is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's financial condition.

Interest Coverage Ratio is defined as Adjusted Net Income and Comprehensive Income plus interest expense divided by interest expense. Generally, a higher Interest Coverage Ratio indicates a lower credit risk. Interest Coverage Ratio is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the amount of cash flow available to meet annual interest payments and ultimately the ability of the Fund to make cash distributions to Unitholders.

NOI, or Adjusted Income from Operations is defined as all property revenue, less direct property costs such as utilities, property taxes, repairs and maintenance, on-site salaries, insurance, bad debt expenses, property management fees, and other property-specific administrative costs. NOI Margin is defined as NOI divided by revenue from property operations. NOI and NOI Margin are presented in this MD&A as the Manager considers these non-IFRS measures to be important measures of the Fund's operating performance and uses these measures to assess the Fund's property operating performance on an unlevered basis. The most comparable measure to IFRS is net income and comprehensive income.

Weighted average Units outstanding represent the Units adjusted for redemptions across all classes of Units of the Fund.

Reconciliations of net income and comprehensive income to FFO and AFFO are provided herein at "Non-IFRS Financial Measures - FFO and AFFO". In addition, a reconciliation of Cash Provided by Operating Activities Including Interest Costs to AFFO is provided herein at "Non-IFRS Financial Measures - FFO and AFFO" and a reconciliation of NOI from the financial statement presentation of revenue, property operating costs and property taxes is provided herein at "Financial and Operational Highlights".

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FUTURE OUTLOOK

Since 2022, concerns over rising inflation contributed to a significant increase in interest rates with the Bank of Canada raising its target interest rate from 0.25% in early 2022 to 5.0% as of Q1-2024. Increases in target interest rates typically lead to increases in borrowing costs. Inflation in Canada has declined from its peak in June 2022 of 8.1% to 2.4% in September 2025 with improvements in global supply chains and the effects of higher interest rates moving through the economy. As a result, the Bank of Canada has reduced its target interest rate by a total of 275 basis points since June 2024, bringing it down to 2.25% as of November 18, 2025.

The Fund benefits from the availability of Canada Mortgage and Housing Corporation insured financing to the Canadian residential sector, which provided a stable, competitively priced source of financing. Operating fundamentals continue to be favorable as evidenced by the operating results achieved by the Fund and the Fund has made steady progress in mitigating the significant increases in interest rates by increasing the amount of fixed rate debt to 93.7% of its total debt as at September 30, 2025.

According to Statistics Canada, the September 2025 unemployment rate in Canada was 7.1%, as compared to an unemployment rate of 6.4% in the Province of British Columbia ("BC"), including Vancouver Island and the Coast Region. BC gained approximately 48,600 jobs between September 2024 and September 2025, demonstrating the economic strength of Vancouver Island and the mainland of BC (the "Primary Markets").

Each year, the Federal Department of Immigration, Refugees and Citizenship Canada ("IRCC") releases a new Immigration Levels Plan to guide its operations. In 2024, IRCC welcomed a record of 464,000 immigrants to Canada with a target of 395,000 immigrants for 2025. However, subsequent to October 2025, these targets were further adjusted down from 395,000 to 380,000 for 2026, 2027 and 2028. In early 2025, the United States announced certain tariffs on steel, aluminum and other imported components, with further tariffs enacted and continuing to be in effect between Canada and the U.S. and the U.S. and various other jurisdictions. These tariffs may result in increased construction or renovation costs for multi-family projects in Canada and the Primary Markets.

While recent interest rate cuts have improved borrower sentiment and affordability, further reductions by the Bank of Canada are uncertain due to relatively strong employment market and the potential impacts of any new U.S. tariffs. The Fund does not expect any significant impact to the Fund's operating results from changes in immigration, tariffs or interest rates, as the core fundamentals of the economy remain robust. The Fund continues to closely monitor these ongoing developments.

The above factors as well as the lack of housing supply and affordability, have made it more challenging for existing residents of multi-family properties to buy homes. In addition, the construction slowdown of new homes due to elevated interest rates has also continued to result in increased demand for multi-family suites and an expected reduction in new supply.

Subsequent to September 30, 2025, the Fund announced a proposed business combination with the Starlight Western Canada Multi-Family Limited Partnership, 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. The proposed transaction is expected to enhance diversification, operational efficiency, and access to capital, while positioning the combined entity to pursue a broader range of strategic alternatives and synergies, including a potential future capital raise and reduced cost of borrowing. In connection with the transaction, the Fund intends to extend its term by two years with two additional one-year extension options and permit a one-time re-opening within 18 months to raise up to 25% of the combined market capitalization. The combined entity is expected to target an annual yield of 2 to 3% (see "Subsequent Events").

The Fund believes that the transaction will strengthen its long-term positioning by enhancing financing flexibility, and creating new avenues for liquidity while maintaining exposure to high-quality multi-family assets in strong growth markets. Combined with moderating interest rates, continued population inflows, and persistent supply constraints across Western Canada, the Fund expects these dynamics to support stable occupancy, continued rent growth, and attractive long-term risk-adjusted returns for the Unitholders.

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INVESTMENT OVERVIEW, OBJECTIVES AND STRATEGY

The Fund is a “closed-end” fund established pursuant to an initial declaration of trust dated as of November 12, 2021, as amended and restated on January 27, 2022 (the “Declaration of Trust”), and governed by the laws of the Province of Ontario. The registered office of the Fund is located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario M8X 2X3.

The term of the Fund is three years, with two one-year extensions available at the option of the Fund's board of trustees (the “Board”) and may be further extended by special resolution of the Unitholders. On November 14, 2024, the Board approved a one-year extension of the Fund's term to February 22, 2026.

The ownership of the Fund is separated into three classes of Units. Following the closing of the Fund's initial public offering on February 22, 2022 (the “Offering”), the Fund issued the following Units: 4,207,395 class A Units, 5,404,905 class B Units and 3,387,700 class C Units at a price of \$10.00 per Unit (see “Capital Structure and Debt Profile - Net Liabilities Attributable to Unitholders”).

The Offering raised gross subscription proceeds of \$130,000. Following completion of the Offering, the Fund acquired five institutional quality multi-family Properties comprising a total of 495 suites located at 6035 Linley Valley Drive and 4800 Uplands Drive, Nanaimo (“Nanaimo”), 733 Goldstream Avenue, Langford (“Langford”), 3400 Centennial Drive, Vernon (“Vernon”), 1803 31A Street, Vernon (“Vernon 2”) and 2699 Peatt Road, Langford (“Langford 2”) on February 23, 2022. Subsequent to the Offering, the Fund acquired four additional multi-family Properties comprising a total of 449 suites during 2022 and 2023, located at 1085 Goldstream Avenue, Langford (“Langford 3”), 5477 200 Street, Langley (“Langley”), 4745 Ledgerwood Road, Nanaimo (“Nanaimo 2”) and 728 Meaford Avenue, Langford (“Langford 4”). The Properties are all located in BC with the Fund owning a total of 944 multi-family suites (see “Portfolio Summary”) as at September 30, 2025.

The acquisition of the Properties was valued at \$375,860, which was financed by Offering proceeds of \$105,842 and debt of \$270,018. The Fund had approximately \$3,105 of available liquidity including \$2,500 of availability under Fund's credit facility as at September 30, 2025, which is expected to be used to fund existing operations and the continuation of the Fund's business objectives.

Subsequent to September 30, 2025, the Fund announced a proposed business combination with the Starlight Western Canada Multi-Family Limited Partnership, 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. The proposed transaction is expected to enhance diversification, operational efficiency, and access to capital, while positioning the combined entity to pursue a broader range of strategic alternatives and synergies, including a potential future capital raise and reduced cost of borrowing. In connection with the transaction, the Fund intends to extend its term by two years with two additional one-year extension options and permit a one-time re-opening within 18 months to raise up to 25% of the combined market capitalization. The combined entity is expected to target an annual yield of 2 to 3% (see “Subsequent Events”).

The Fund's Investment Strategy:

The Fund was established for the primary purpose of directly or indirectly acquiring, owning, operating and stabilizing a portfolio composed 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 that are located in the Primary Markets. The Manager believes the Western Canadian multi-family real estate sector presents a compelling investment opportunity and provides competitive long-term returns when compared to other real estate opportunities.

The Fund's investment objectives are to:

1. 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 the Primary Markets;
2. Make stable monthly cash distributions; and
3. 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.

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The Manager targets acquisitions in the Primary Markets, where markets feature:

1. Compelling employment, population, and economic growth rates;
2. Attractive employment and other opportunities for new immigrants to Canada;
3. Consistently low rental vacancy rates and high rental growth rates; and
4. Comfortable climates and quality of life.

ACQUISITION OF WESTERN CANADIAN MULTI-FAMILY REAL ESTATE

1. Identify multi-family acquisition opportunities in the Primary Markets through the Manager's strong pipeline of exclusive acquisition opportunities by leveraging the Manager's relationships with principals, operators, brokers and other real estate asset managers and by its ability to source "off market" opportunities.
2. Target multi-family assets that are:
 - (a) Newer vintage or newly constructed properties that have not been stabilized or demonstrate the opportunity to increase in-place rents to market rents, with significant value upside; and
 - (b) Strategically located properties in the Primary Markets, which demonstrate a supply-demand imbalance as well as barriers to new development.
3. Complete a comprehensive due diligence program, including cash flow and operating expense reviews, and, where applicable, third-party reports including market studies, structural and environmental assessments and appraisals.
4. Conduct a broad canvass of the lending community, including lenders with whom the Manager enjoys long-term relationships, to secure debt financing on competitive terms.
5. Explore, from time to time, co-investment opportunities involving the Fund and one or more co-investors.

ASSET VALUE ENHANCEMENT THROUGH ACTIVE ASSET MANAGEMENT STRATEGY

1. Utilize the Manager's network to source attractive future acquisitions from principals, operators, brokers and other real estate asset managers.
2. Seek ancillary income opportunities such as cable, antenna and laundry contracts as well as package handling and visitor and resident parking.
3. Reduce operating expenses such as staffing, energy and water expenses through sub-metering, maintenance contracts, advertising, general and administrative expenses and insurance through economies of scale.
4. Utilize reputable best-in-class property managers.

VALUE REALIZATION

1. Asset value increases are expected by the Manager to be realized through a combination of NOI growth, through, among other things, active asset management resulting in increased rental rates, and a pricing premium on the aggregated portfolio.
2. The Manager, on behalf of the Fund, may execute dispositions, directly or indirectly, throughout the term on a single asset or portfolio basis through private and public market transactions to maximize value.
3. The private real estate investment market and the public capital markets will be monitored to seek an exit strategy that can be executed with a view towards value maximization.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Starlight Group Property Holdings Inc. and the Manager, collectively referred to as “Starlight”, are committed to adopting a comprehensive approach to environmental, social and governance (“ESG”) practices for all entities within the Starlight group, embedding these principles into every aspect of Starlight’s business, with the intention of driving long-term value. Starlight’s ESG strategy and commitments are supported by its Sustainability Action Plan which outlines short-targets, programs, and performance indicators. Since its first submission in 2021, Starlight has received top ranking from the Global Real Estate Sustainability Benchmark (“GRESB”) for its sustainability efforts, including exceeding the benchmark averages in carbon emissions and resource reduction, tenant engagement, and risk management.

ESG disclosure standards

Starlight’s ESG strategy and programs are aligned with external standards and best practices, including the Global Reporting Initiative Sustainability Reporting Standards, and GRESB. Starlight has also taken guidance from the International Sustainability Standards Board’s IFRS Sustainability Standards S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures. These standards help shape the Fund’s commitments and ensure accountability in its data, initiatives and goals.

Starlight’s commitments are aligned with the United Nations’ Sustainable Development Goals (“SDGs”) – a set of integrated goals that call on countries and industries to help end poverty, protect the planet and ensure peace and prosperity. Our ESG strategy at Starlight contributes to the following UN SDGs:



Importance of ESG

Starlight has engaged its stakeholders to determine the ESG topics that are most important to its investors, partners, affiliates and communities, and where Starlight has a significant impact. Conducting this exercise helps to determine which topics are most relevant for Starlight to address and which contribute to advancing its purpose of investing with impact. The resulting matrix is a cumulative product of extensive research, workshops, one-on-one discussions and data cross-referencing from across the real estate industry.

Environmental impact

- Carbon emissions and
- Energy efficiency
- Circularity and resources
- Low-carbon infrastructure
- Resilience
- Materials
- Biodiversity

Social Impact

- Employee well-being and
- Community well-being and engagement
- Inclusion, Diversity, Equity and Allyship (“IDEA”)
- Affordability
- Community engagement
- Partnerships
- Indigenous relations

Governance

- Cybersecurity
- Corporate governance
- Certifications and reporting standards
- Risk management
- Regulations

This matrix has assisted the Fund to develop a strategy that embeds ESG in every aspect of its business, including operations, investment activities and corporate functions, which:

- promote resource efficiency, reducing costs and minimize environmental degradation;

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- (b) increase property values, contributing to stakeholder satisfaction, and drive long-term net asset value ("NAV") growth for Unitholders;
- (c) enhance the appeal of the Properties, helping to attract and retain residents and build lasting collaborative relationships; and
- (d) manage risk and comply with evolving regulations, insurance requirements, enhancing operations, management, and governance practices.

ESG commitment

Starlight's core ESG commitments are as follows:

<u>People and Culture</u>	<u>Social Impact</u>	<u>Operations and Development</u>	<u>Transparency and Accountability</u>
To attract and retain top talent and foster a diverse and inclusive culture where individuals can thrive.	To bring value to local communities, enhance resident well-being and provide healthy and equitable living and working spaces.	To create and maintain low-carbon, resource efficient, resilient spaces and complete communities.	To demonstrate transparency in its governance practices and proactively respond to existing and future risks.

ESG AS IT RELATES TO THE FUND

Pursuant to the Board's mandate, in addition to specific governance matters, the Board oversees and monitors the Fund's general strategy, policies and initiatives related to the environmental and social matters and the alignment of the strategy with the Fund's overall business objectives and at least annually reviews the same. As the Fund is a "closed-end" fund with the Term expiring on February 22, 2026 (unless further extended in accordance of Declaration of Trust), the 2050 net carbon emissions target is not applicable and as a result the Fund has not disclosed long-term initiatives and targets surrounding net carbon zero emissions.

Although the Fund has not published long-term initiatives and targets surrounding net carbon zero emissions, the Manager continues to evaluate ways to integrate carbon reduction initiatives where equipment is end-of-life and efficient energy systems would be beneficial. The Manager also evaluates and implements projects where there is opportunity to reduce energy, resources, such as water, and waste to maintain or add value to the property for future investment opportunities.

The Fund is committed to strong governance practices. It continues to review and enhance its governance policies to align with the Fund's strategic direction, regulatory and ESG requirements and sound governance practices. The following are some of the highlights of its governance policies and practices:

- 1/3 of the Board are women
- Board is responsible for the oversight of the ESG strategy and ESG initiatives developed by management
- Code of business conduct and ethics that promotes honest and ethical conduct between the Trustees, officers and employees of the Fund's asset manager
- Independent trustees are not overboarded
- Board mandate and committee charters are regularly reviewed to ensure they remain current

The Fund strives to understand and address the social impact of its business. The Fund's initiatives extend beyond financial success to encompass the well-being of its employees, residents' communities and the environment. The Fund has introduced many social initiatives through Starlight including summer internship programs, ESG workshops, resident relief programs, partnerships with humanitarian aid agencies and IDEA. During 2024 and into Q3-2025, the Fund held social events at its Properties that included celebrating Pride Month, Earth Day, Halloween, BBQs, ice cream socials and International Women's Day celebrations for the residents. Each event held ensures ESG principles are followed and that property managers are guided to include sustainable activities and programs, such as proper waste sorting and using reusable elements for food and drink and children's activities.

Risks related to ESG

For information on detailed risks related to ESG, please refer to the "Risks and Uncertainties" section in the Fund's MD&A for the year ended December 31, 2024.

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PORTFOLIO SUMMARY

Property	Address	City ¹	Suites	Vintage	Rentable area (Sq. ft)	Avg. suite size (Sq. ft)	Land area (Acres)	Date acquired
Nanaimo	6035 Linley Valley Drive & 4800 Uplands Drive	Nanaimo	251	2020	208,906	832	6.90	2/23/2022
Langford	733 Goldstream Avenue	Langford	60	2020	41,618	694	0.86	2/23/2022
Vernon	3400 Centennial Drive	Vernon	60	2018	52,605	877	1.20	2/23/2022
Vernon 2	1803 31A Street	Vernon	43	2019	39,331	915	0.54	2/23/2022
Langford 2	2699 Peatt Road	Langford	81	2017	60,958	753	0.74	2/23/2022
Langford 3	1085 Goldstream Avenue	Langford	166	2019	109,490	660	2.15	3/1/2022
Langley	5477 200 Street	Langley	57	2016	49,428	867	0.68	6/7/2022
Nanaimo 2	4745 Ledgerwood Road	Nanaimo	120	2022	95,585	797	3.20	8/29/2022
Langford 4	728 Meaford Avenue	Langford	106	2018	79,960	754	0.90	11/14/2023
Total ownership as at September 30, 2025			944	2019	737,881	782	17.17	

NANAIMO

Nanaimo was completed in 2020 and is located approximately 86.6 kilometers west of downtown Vancouver at 6035 Linley Valley Drive & 4800 Uplands Drive, Nanaimo, BC. The property provides convenient access to the largest estuary on Vancouver Island, the Nanaimo River estuary. Built on a 6.90 acre site, Nanaimo comprises 251 multi-family suites, ranging in size from one bedroom to two bedrooms, across three mid-rise buildings.

LANGFORD

Langford was completed in 2020 and is located approximately 12.6 kilometers west of downtown Victoria at 733 Goldstream Avenue, Langford, BC. The property provides convenient access to Goldstream Provincial Park and Mill Hill, Mount Wells and Thetis Lake Regional Parks. Built on a 0.86 acre site, Langford comprises 60 multi-family suites, ranging in size from one bedroom to two bedrooms, in one mid-rise building.

VERNON

Vernon was completed in 2018 and is located in Vernon, BC, approximately 50 kilometers north of Kelowna at 3400 Centennial Drive, Vernon, BC. The property provides convenient access to Kalamaka Lake Provincial Park, Kal Beach, Kin Beach and Silver Star Provincial Park. Built on a 1.20 acre site, Vernon comprises 60 multi-family suites, ranging in size from one bedroom to three bedrooms, in one mid-rise building.

VERNON 2

Vernon 2 was completed in 2019 and is located in Vernon, BC, approximately 50 kilometers north of Kelowna at 1803 31A Street, Vernon, BC. The property provides convenient access to Kalamaka Lake Provincial Park, Kal Beach, Kin Beach and Silver Star Provincial Park. Built on a 0.54 acre site, Vernon 2 comprises 43 multi-family suites, ranging in size from one bedroom to three bedrooms, in one mid-rise building.

LANGFORD 2

Langford 2 was completed in 2017 and is located approximately 13.8 kilometers west of downtown Victoria at 2699 Peatt Road, Langford, BC. The property provides convenient access to Goldstream Provincial Park and Mill Hill, Mount Wells and Thetis Lake Regional Parks. Built on a 0.74 acre site, Langford 2 comprises 81 multi-family suites, ranging in size from bachelor to two bedrooms, in one low-rise building.

LANGFORD 3

Langford 3 was completed in 2019 and is located approximately 14.3 kilometers west of downtown Victoria at 1085 Goldstream Avenue, Langford, BC. The property provides convenient access to Goldstream Provincial Park and Mill Hill, Mount Wells and Thetis Lake Regional Parks. Built on a 2.15 acre site, Langford 3 comprises 166 multi-family suites, ranging in size from one bedroom to three bedrooms, in one mid-rise building.

LANGLEY

Langley was completed in 2016 and is located approximately 1.9 kilometers west of downtown Langley at 5477 200 Street, Langley, BC. The property provides convenient access to Crescent Beach, Peace Arch Hospital and Trinity Western University. Built on a 0.68 acre site, Langley comprises 57 multi-family suites, ranging in size from one bedroom to two bedrooms, in one mid-rise building.

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NANAIMO 2

Nanaimo 2 was completed in 2022 and is located approximately 85.8 kilometers west of downtown Vancouver at 4745 Ledgerwood Road, Nanaimo, BC. The property provides convenient access to the largest estuary on Vancouver Island, the Nanaimo River estuary. Built on a 3.20 acre site, Nanaimo 2 comprises 120 multi-family suites, ranging in size from bachelor to three bedrooms, across three mid-rise buildings.

LANGFORD 4

Langford 4 was completed in 2018 and is located approximately 14 kilometers west of downtown Victoria at 728 Meaford Avenue, Langford, BC. The property is near several regional parks and golf clubs which provide a great wealth of recreational options for residents on Vancouver Island. Built on a 0.90 acre site, Langford 4 comprises 106 multi-family suites, ranging in size from bachelor to three bedrooms, in one mid-rise building.

STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND - Q3 2025 MD&ANotes to readers | Future outlook | Our business | **Highlights** | Financial performance | Other disclosures | Schedule A**FINANCIAL AND OPERATIONAL HIGHLIGHTS**

This section includes highlights of the financial and operating performance of the Fund as at September 30, 2025 and for the periods ended Q3-2025 and YTD-2025 including a comparison to the Fund's financial and operational performance as at December 31, 2024 and for the period ended Q3-2024 and YTD-2024.

HIGHLIGHTS FOR Q3-2025

- The Fund achieved AMR¹ growth of approximately 2.6% between Q3-2024 and Q3-2025, continuing to be driven by sustained demand for multi-family suites due to continuing economic resilience and overall immigration levels in Canada and the Primary Markets.
- Revenue from property operations and NOI¹ for Q3-2025 were \$5,477 and \$3,864 (Q3-2024 - \$5,502 and \$3,769), respectively, representing a decrease in revenue of 0.5% primarily due to a reduction in Economic Occupancy¹ in Q3-2025 relative to Q3-2024, partially offset by AMR growth achieved between the two periods, and an increase in NOI of 2.5% relative to Q3-2024 (see "Results of Operations").
- The Fund reported Physical Occupancy¹ of 97.1% as at September 30, 2025.
- The Fund reported a net income and comprehensive income attributable to Unitholders for Q3-2025 of \$511 (Q3-2024 - income of \$710).
- The Fund had approximately \$3,105 of available liquidity as at September 30, 2025, including \$2,500 of availability under the Fund's credit facility secured by Nanaimo 2.
- As at November 17, 2025, the Fund had collected approximately 99.2% of rents for Q3-2025, with further amounts expected to be collected in future periods, demonstrating the Fund's high quality resident base and operating performance.
- AFFO¹ for Q3-2025 was \$1,044 (Q3-2024 - \$847), representing an increase of \$197 or 23.3% relative to Q3-2024, primarily due to the increase in NOI described above as well as lower finance costs and fund and trust expenses between the two periods (see "Non-IFRS Financial Measures").
- Subsequent to September 30, 2025, the Fund announced a proposed business combination with the Starlight Western Canada Multi-Family Limited Partnership, 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 (see "Future Outlook" and "Subsequent Events").

HIGHLIGHTS FOR YTD-2025

- Revenue from property operations and NOI for YTD-2025 were \$16,389 and \$11,463 (YTD-2024 - \$16,127 and \$11,174), respectively, representing an increase of 1.6% and 2.6% relative to YTD-2024, primarily as a result of AMR growth described above (see "Results of Operations").
- The Fund reported a net income and comprehensive income attributable to Unitholders for YTD-2025 of \$579 (YTD-2024 - \$9,070). The higher net income and comprehensive income in YTD-2024 was primarily attributable to fair value adjustment on investment properties and incremental interest on historical balances received from the Fund's corporate banking provider.
- AFFO for YTD-2025 was \$2,987 (YTD-2024 - \$1,846), representing an increase of \$1,141 or 61.8% relative to YTD-2024 primarily due to an increase in NOI as well as lower finance costs and fund and trust expenses (see "Non-IFRS Financial Measures").

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

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

	September 30, 2025	December 31, 2024		
Key multi-family operational information				
Number of multi-family properties owned	9	9		
Total multi-family suites	944	944		
Economic Occupancy ⁽¹⁾	90.0%	91.3%		
Physical Occupancy ⁽¹⁾	97.1%	94.9%		
AMR (in actual dollars)	\$ 2,046	\$ 2,000		
AMR per square foot (in actual dollars)	\$ 2.60	\$ 2.56		
Selected financial information				
Gross Book Value ⁽²⁾	\$ 416,050	\$ 414,480		
Indebtedness ⁽²⁾	\$ 267,995	\$ 269,546		
Indebtedness to Gross Book Value ⁽²⁾	64.4%	65.0%		
Weighted average interest rate - as at period end ⁽³⁾	3.25%	3.28%		
Weighted average loan term to maturity	4.34 years	5.09 years		
	Q3-2025	Q3-2024	YTD-2025	YTD-2024
Summarized income statement				
Revenue from property operations	\$ 5,477	\$ 5,502	\$ 16,389	\$ 16,127
Property operating costs	(1,158)	(1,313)	(3,559)	(3,692)
Property taxes	(455)	(420)	(1,367)	(1,261)
Adjusted Income from Operations / NOI	3,864	3,769	11,463	11,174
Fund and trust expenses	(512)	(555)	(1,588)	(1,744)
Finance costs ⁽⁴⁾	(2,598)	(2,667)	(7,748)	(8,450)
Other income and expense ⁽⁵⁾	(243)	163	(1,548)	8,090
Net income and comprehensive income - attributable to Unitholders	\$ 511	\$ 710	\$ 579	\$ 9,070
Other selected financial information				
FFO ⁽²⁾	\$ 754	\$ 547	\$ 2,127	\$ 980
FFO per Unit - basic and diluted	0.06	0.04	0.16	0.08
AFFO ⁽²⁾	1,044	847	2,987	1,846
AFFO per Unit - basic and diluted	0.08	0.07	0.23	0.14
Weighted average interest rate - average during period	3.26%	3.40%	3.27%	3.43%
Interest Coverage Ratio ⁽²⁾⁽⁶⁾	1.54x	1.41x	1.52x	1.33x
Indebtedness Coverage Ratio ⁽²⁾⁽⁶⁾	1.05x	1.00x	1.03x	0.96x
Distributions to Unitholders	\$ 1,130	\$ 1,134	\$ 3,394	\$ 3,220
Weighted average Units outstanding - basic and diluted (000s)	12,923	12,958	12,932	12,968

⁽¹⁾ Economic Occupancy for Q3-2025 and Q4-2024 and Physical Occupancy as at the end of each applicable reporting period. The Fund's Economic Occupancy for Q3-2025 was 90.0% including the impact of any concessions to residents and is presented as an average throughout the reporting period. Physical occupancy as at the end of the period was 97.1% as the Fund focused on increasing the Physical Occupancy at the Properties.

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

⁽³⁾ The weighted average interest rate on loans payable is presented as at September 30, 2025 and December 31, 2024, respectively.

⁽⁴⁾ Finance costs include interest expense on loans payable as well as non-cash amortization of deferred financing costs and other financing costs (see "Other Income and Expenses").

⁽⁵⁾ Includes distributions to Unitholders, fair value adjustment of investment properties, provision for carried interest and one time interest income. Refer to "Financial Performance" for detailed income statement information as well as "Other Income and Expenses" section for commentary on variances related to each significant variance included within other income and expense items.

⁽⁶⁾ See "Capital Structure and Debt Profile" for further commentary on the Fund's Interest Coverage Ratio and Indebtedness Coverage Ratio.

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FINANCIAL PERFORMANCE

The table below presents the financial performance of the Fund in accordance with IFRS for Q3-2025 and the previous seven quarters:

	Q3-2025	Q2-2025	Q1-2025	Q4-2024	Q3-2024	Q2-2024	Q1-2024	Q4-2023
Revenue from property operations	\$ 5,477	\$ 5,452	\$ 5,460	\$ 5,484	\$ 5,502	\$ 5,374	\$ 5,251	\$ 5,079
Property operating costs	(1,158)	(1,158)	(1,243)	(1,229)	(1,313)	(1,128)	(1,251)	(1,124)
Property taxes	(455)	(492)	(420)	(421)	(420)	(486)	(355)	(338)
Income from rental operations	3,864	3,802	3,797	3,834	3,769	3,760	3,645	3,617
Fund and trust expenses	(512)	(550)	(526)	(522)	(555)	(591)	(598)	(551)
Finance costs ⁽¹⁾	(2,598)	(2,575)	(2,575)	(2,585)	(2,667)	(2,915)	(2,868)	(2,698)
Distributions to Unitholders	(1,130)	(1,132)	(1,132)	(1,133)	(1,134)	(1,089)	(997)	(997)
Interest income	—	—	—	—	—	—	1,851	—
Fair value adjustment of investment properties	887	—	—	(17,835)	1,297	2,527	8,108	14,595
Provision of carried interest	—	278	681	9,544	—	—	(2,473)	(3,422)
Net income (loss) and comprehensive income (loss)	\$ 511	\$ (177)	\$ 245	\$ (8,697)	\$ 710	\$ 1,692	\$ 6,668	\$ 10,544
FFO	\$ 754	\$ 677	\$ 696	\$ 727	\$ 547	\$ 254	\$ 179	\$ 368
AFFO	1,044	917	979	1,004	847	591	408	601
FFO per Unit - basic and diluted	0.06	0.05	0.05	0.06	0.04	0.02	0.01	0.03
AFFO per Unit - basic and diluted	0.08	0.07	0.08	0.08	0.07	0.05	0.03	0.05

⁽¹⁾ Finance costs include interest expense on loans payable as well as non-cash amortization of deferred financing costs and other financing costs (see "Other Income and Expenses").

RESULTS OF OPERATIONS

The Fund's results of operations for Q3-2025 and YTD-2025 with comparative periods Q3-2024 and YTD-2024 with variance commentary are discussed below.

	Q3-2025	Q3-2024	\$ Chg	% Chg	YTD-2025	YTD-2024	\$ Chg	% Chg
Revenue from property operations	\$ 5,477	\$ 5,502	\$ (25)	(0.5)%	\$ 16,389	\$ 16,127	\$ 262	1.6%
Property operating costs	(1,158)	(1,313)	155	11.8%	(3,559)	(3,692)	133	3.6%
Property taxes	(455)	(420)	(35)	(8.3)%	(1,367)	(1,261)	(106)	(8.4)%
NOI	\$ 3,864	\$ 3,769	\$ 95	2.5%	\$ 11,463	\$ 11,174	\$ 289	2.6%
NOI Margin⁽¹⁾	70.5%	68.5%			69.9%	69.3%		

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

REVENUE FROM PROPERTY OPERATIONS

Revenue from property operations includes monthly rent charges for the lease of multi-family suites, other ancillary income and the reimbursement by the residents for certain utility expenses incurred. Other ancillary income may include, but is not limited to, amounts from forfeited deposits, late fees, short notice fees, cleaning fees, lease termination fees, application fees and pet fees. Net rental income is the only material component of total revenue from property operations comprising approximately 95% thereof, with other ancillary income and utility expense reimbursements comprising the remaining approximate 5%.

Revenue from property operations for Q3-2025 was \$5,477 (Q3-2024 - \$5,502), representing a decrease of \$25 or 0.5% relative to Q3-2024, primarily driven by lower economic occupancy, partially offset by AMR growth of 2.6% during Q3-2025 relative to Q3-2024 (see "Average Monthly Rent and Occupancy").

Revenue from property operations for YTD-2025 was \$16,389 (YTD-2024 - \$16,127), representing an increase of \$262 or 1.6% relative to YTD-2024, primarily due to higher economic occupancy and AMR growth.

PROPERTY OPERATING COSTS

The main components of property operating costs are repairs and maintenance expenses (approximately 30%), administrative costs including property management fees (approximately 18%), utility costs (approximately 18%), salaries and benefits

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(approximately 14%) and insurance expenses (approximately 12%). Given each component of property operating costs is not individually material, such amounts have not been separately disclosed.

Property operating costs for Q3-2025 and YTD-2025 were \$1,158 and \$3,559, respectively (Q3-2024 and YTD-2024 - \$1,313 and \$3,692). The decreases of \$155 and \$133 relative to Q3-2024 and YTD-2024 reflect the Fund's continued focus on cost management and operating efficiency.

PROPERTY TAXES

Property taxes for Q3-2025 and YTD-2025 were \$455 and \$1,367, respectively (Q3-2024 and YTD-2024 - \$420 and \$1,261), representing increases of \$35 and \$106 relative to Q3-2024 and YTD-2024 due to a combination of increases in the tax rates as well as increases in assessed values of the Properties for the tax year 2025.

The Fund actively manages the assessed values of its Properties to minimize property taxes by utilizing third party consultants, which includes appealing against the assessed values where deemed appropriate by the Manager.

NOI AND NOI MARGIN

NOI for Q3-2025 and YTD-2025 was \$3,864 and \$11,463, respectively (Q3-2024 and YTD-2024 - \$3,769 and \$11,174), representing an increase of \$95 or 2.5% and \$289 or 2.6% relative to Q3-2024 and YTD-2024, primarily driven by strong AMR growth and decreases in property operating costs, partially offset by the increase in property taxes as described above.

During Q3-2025 and YTD-2025, the NOI Margin was 70.5% and 69.9% (Q3-2024 and YTD-2024 - 68.5% and 69.3%), respectively, representing increases of 200 and 60 basis points relative to Q3-2024 and YTD-2024, primarily due to the same reasons as described above.

AVERAGE MONTHLY RENT AND OCCUPANCY

The following table presents AMR (in actual dollars) as well as Economic Occupancy for the Properties:

Properties	Suites	AMR ⁽¹⁾			Economic Occupancy ⁽¹⁾					
		Q3-2025	Q3-2024	% Chg	Q3-2025	Q3-2024	% Chg	YTD-2025	YTD-2024	% Chg
Nanaimo	251	\$ 2,183	\$ 2,136	2.2 %	92.0 %	92.7 %	(0.7)%	91.1 %	89.9 %	1.2 %
Langford	60	2,014	2,036	(1.1)%	81.9 %	90.5 %	(8.6)%	86.3 %	90.8 %	(4.5)%
Vernon	60	1,982	1,894	4.6 %	86.2 %	94.7 %	(8.5)%	89.0 %	92.4 %	(3.4)%
Vernon 2	43	1,950	1,877	3.9 %	93.5 %	94.6 %	(1.1)%	91.3 %	95.3 %	(4.0)%
Langford 2	81	2,019	1,960	3.0 %	83.5 %	96.4 %	(12.9)%	87.7 %	93.6 %	(5.9)%
Langford 3 ⁽²⁾	166	1,884	1,847	2.0 %	90.1 %	92.1 %	(2.0)%	91.1 %	92.2 %	(1.1)%
Langley	57	2,052	1,969	4.2 %	96.5 %	88.7 %	7.8 %	94.8 %	91.9 %	2.9 %
Nanaimo 2	120	2,067	2,024	2.1 %	91.3 %	89.6 %	1.7 %	87.8 %	89.1 %	(1.3)%
Langford 4	106	2,062	1,980	4.1 %	90.6 %	94.3 %	(3.7)%	91.0 %	89.3 %	1.7 %
Total properties	944	\$ 2,046	\$ 1,995	2.6 %	90.0 %	92.5 %	(2.5)%	92.0 %	91.0 %	1.0 %

⁽¹⁾ Figures represent results as at the reporting period end for AMR and average during the reporting period for Economic Occupancy.

Total portfolio AMR for Q3-2025 was \$2,046 or 2.6% higher than Q3-2024 primarily as a result of the Fund focusing on optimizing revenue at the Properties.

The Fund's Economic Occupancy for Q3-2025 and YTD-2025 was 90.0% and 92.0% (Q3-2024 and YTD-2024 - 92.5% and 91.0%), respectively, representing a decrease of 250 basis points relative to Q3-2024 and an increase of 100 basis points relative to YTD-2024, primarily as a result of the Fund balancing rental growth and occupancy at each Property to maximize revenue. As at September 30, 2025, the Fund had Physical Occupancy of 97.1%, as the Fund continues to focus on maximizing revenue through maintaining targeted occupancy levels, ancillary income growth and optimizing rental rates as evidenced by the year-over-year AMR increase outlined above.

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QUARTERLY AMR AND OCCUPANCY

The table below outlines the Fund's quarterly AMR and Economic Occupancy results for Q3-2025 and the previous four quarters:

Properties	Suites	Q3-2025		Q2-2025		Q1-2025		Q4-2024		Q3-2024	
		AMR ⁽¹⁾	Econ. occ% ⁽¹⁾	AMR ⁽¹⁾	Econ. occ% ⁽¹⁾	AMR ⁽¹⁾	Econ. occ% ⁽¹⁾	AMR ⁽¹⁾	Econ. occ% ⁽¹⁾	AMR ⁽¹⁾	Econ. occ% ⁽¹⁾
Nanaimo	251	\$ 2,183	92.0 %	\$ 2,167	88.7 %	\$ 2,160	92.6 %	\$ 2,138	92.5 %	\$ 2,136	92.7 %
Langford	60	2,014	81.9 %	2,029	88.4 %	2,040	88.5 %	2,037	89.4 %	2,036	90.5 %
Vernon	60	1,982	86.2 %	1,960	90.7 %	1,935	90.2 %	1,915	93.6 %	1,894	94.7 %
Vernon 2	43	1,950	93.5 %	1,944	88.3 %	1,909	92.2 %	1,886	97.1 %	1,877	94.6 %
Langford 2	81	2,019	83.5 %	2,028	88.0 %	2,009	91.6 %	1,989	94.2 %	1,960	96.4 %
Langford 3	166	1,884	90.1 %	1,878	93.9 %	1,875	89.3 %	1,846	88.7 %	1,847	92.1 %
Langley	57	2,052	96.5 %	2,062	96.1 %	2,043	91.7 %	2,005	90.3 %	1,969	88.7 %
Nanaimo 2	120	2,067	91.3 %	2,065	84.2 %	2,047	87.8 %	2,010	87.5 %	2,024	89.6 %
Langford 4	106	2,062	90.6 %	2,045	91.0 %	2,022	91.6 %	1,986	92.7 %	1,980	94.3 %
Total portfolio	944	\$ 2,046	90.0 %	\$ 2,039	89.7 %	\$ 2,027	90.8 %	\$ 2,000	91.3 %	\$ 1,995	92.5 %

⁽¹⁾ Figures represent results as at the reporting period end for AMR and the average during the reporting period for Economic Occupancy.

The Fund's AMR increased to \$2,046 during Q3-2025 primarily as a result of the Fund focusing on rent increases at the Properties, which consistently increased over the preceding four quarters. As at September 30, 2025, the Fund had Physical Occupancy of 97.1%. The Fund continues to focus on increasing occupancy to the Fund's targeted range while also optimizing rent growth to maximize revenue.

OTHER INCOME AND EXPENSES
FINANCE COSTS

The Fund's finance costs for Q3-2025 and YTD-2025 compared to Q3-2024 and YTD-2024 are summarized below:

	Q3-2025	Q3-2024	\$ Chg	% Chg	YTD-2025	YTD-2024	\$ Chg	% Chg
Interest expense on loans payable	\$ 2,174	\$ 2,277	\$ (103)	(4.5)%	\$ 6,491	\$ 7,076	\$ (585)	(8.3)%
Amortization of financing costs	338	348	(10)	(2.9)%	1,002	1,008	(6)	(0.6)%
Other financing costs	86	42	44	104.8 %	255	366	(111)	(30.3)%
Total finance costs	\$ 2,598	\$ 2,667	\$ (69)	(2.6)%	\$ 7,748	\$ 8,450	\$ (702)	(8.3)%
Weighted average interest rate - average during period	3.26%	3.40%	n/a	n/a	3.27%	3.43%	n/a	n/a
Indebtedness - average outstanding during period	\$ 267,908	\$ 268,363	\$ (455)	(0.2)%	\$ 268,232	\$ 266,906	\$ 1,326	0.5 %

Interest expense on loans payable

Interest expenses on loans payable for Q3-2025 and YTD-2025 were \$2,174 and \$6,491 (Q3-2024 and YTD-2024 - \$2,277 and \$7,076), respectively, representing a decrease of \$103 or 4.5% and \$585 or 8.3% relative to Q3-2024 and YTD-2024, primarily as a result of the replacement of variable rate debt with lower fixed rate mortgages on April 2, 2024 and December 5, 2024, as well as the impact of reductions in Bank of Canada's target interest rate since June 2024.

The Fund's weighted average interest rate during Q3-2025 and YTD-2025 was 3.26% and 3.27% (Q3-2024 and YTD-2024 - 3.40% and 3.43%), respectively, representing a decrease of 14 and 16 basis points relative to Q3-2024 and YTD-2024 respectively, primarily due to the reduced exposure to variable rate debt as described above.

Amortization of financing costs

Amortization of financing costs for Q3-2025 was \$338 (Q3-2024 - \$348), representing a decrease of \$10 or 2.9% relative to Q3-2024, primarily due to no refinancing activity in 2025.

Amortization of financing costs for YTD-2025 was \$1,002 (YTD-2024 - \$1,008), representing a decrease of \$6 or 0.6% relative to YTD-2024.

Other financing costs

Other financing costs for Q3-2025 were \$86 (Q3-2024 - \$42), representing an increase of \$44 or 104.8%, as a result of certain non-recurring fee adjustments during Q3-2024.

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Other financing costs for YTD-2025 were \$255 (YTD-2024 - \$366), representing a decrease of \$111 or 30.3%, primarily due to the one-time financing charge related to the Langford 2 mortgage repayment on April 2, 2024, partially offset by the one-time adjustment paid to the Manager during Q3-2024.

DISTRIBUTIONS TO UNITHOLDERS

Consistent with the Fund's final long form prospectus dated January 27, 2022 ("the Prospectus"), the Fund declared its first prorated distribution on its Units for the period from February 22, 2022 to March 31, 2022 following the Fund's first month of operations in March 2022. The Fund's distribution is targeted to be between 3.0% to 4.0% annually on all Unit classes. The Fund intends to declare 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 YTD-2025, the Fund declared distributions as follows:

Class A	Class B	Class C
\$0.26424	\$0.25614	\$0.27036

For Q3-2025 and YTD-2025, the Fund declared distributions totaling \$1,130 and \$3,394 (Q3-2024 and YTD-2024 - \$1,134 and \$3,220), representing a decrease of \$4 or 0.4% and \$174 or 5.4% relative to Q3-2024 and YTD-2024, primarily as a result of the Board approving an increase to the Fund's annual pre-tax distribution yield from 3.1% to 3.5%, applicable to its Unitholders of record as of May 31, 2024.

FUND AND TRUST EXPENSES

Fund and trust expenses include costs incurred by the Fund that are not directly attributable to the Properties. These costs include items such as legal and audit fees, director fees, investor relations expenses, directors' and officers' insurance premiums, expenses relating to the administration of any distributions paid by the Fund and other general and administrative expenses associated with the operation of the Fund. Also included in fund and trust expenses are asset management fees payable to the Manager (see "Related Party Transactions and Arrangements – Arrangements with the Manager").

Fund and trust expenses for Q3-2025 were \$512 (Q3-2024 - \$555), representing a decrease of \$43 or 7.7% relative to Q3-2024 as a result of lower administrative fees in Q3-2025.

Fund and trust expenses for YTD-2025 were \$1,588 (YTD-2024 - \$1,744), representing a decrease of \$156 or 8.9% relative to YTD-2024, primarily due to lower leasing management fees paid during YTD-2025.

INTEREST INCOME

Interest income for YTD-2024 was \$1,851, which related to one-time incremental interest received on historical cash balances from the Fund's corporate banking provider, a Canadian chartered bank. No interest income was received for Q3-2025 and YTD-2025.

INVESTMENT PROPERTIES

The Fund has selected the fair value method to account for real estate classified as investment properties. Fair values are supported by a combination of internal financial information and market data. The determination of fair value is based on, among other things, the amount of rental income from future leases reflecting current market conditions, adjusted for assumptions of future cash flows in respect of current and future leases, capitalization rates and expected occupancy rates.

Change in investment properties from January 1, 2024 to September 30, 2025:		Amount
Balance, January 1, 2024	\$	419,500
Additions		883
Fair value adjustment		(5,903)
Balance, December 31, 2024		414,480
Additions		683
Fair value adjustment		887
Balance, September 30, 2025	\$	416,050

Reconciliation of cost base of investment properties to their fair value:	September 30, 2025	December 31, 2024
Cost	\$ 380,277	\$ 379,594
Cumulative fair value adjustment	35,773	34,886
Fair value	\$ 416,050	\$ 414,480

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The key valuation assumptions for the investment properties are set out in the following table:

	September 30, 2025	December 31, 2024
Capitalization rate - range	4.00% to 5.00%	4.15% to 5.00%
Capitalization rate - weighted average	4.45 %	4.38 %
Weighted average capitalization rate - 10 basis point increase ⁽¹⁾	\$ (9,144)	\$ (9,252)
Weighted average capitalization rate - 10 basis point decrease ⁽¹⁾	\$ 9,564	\$ 9,684

⁽¹⁾ The impact of change in weighted average capitalization rate to the fair value of the Fund's investment properties.

During Q3-2025 and YTD-2025, the Fund recorded fair value gain on investment properties of \$887 (Q3-2024 and YTD-2024 - gain of \$1,297 and \$11,932). The fair value gain during Q3-2025 and YTD-2025 was primarily driven by NOI growth, partially offset by capitalization rate expansion at certain properties.

The impact of a 1% change in NOI used to value the investment properties as at September 30, 2025 would affect the fair value by approximately \$4,161 (December 31, 2024 - \$4,145).

PROVISION FOR CARRIED INTEREST

As at September 30, 2025, the Fund recognized a provision for carried interest of \$nil, resulting in a recovery recorded to the condensed consolidated interim statement of income and comprehensive income for Q3-2025 and YTD-2025 of \$nil and \$959 (Q3-2024 and YTD-2024 - expense of \$nil and \$2,473) (see "Related Party Transactions and Arrangements").

INCOME TAXES

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.

NON-IFRS FINANCIAL MEASURES - FFO AND AFFO

Non-IFRS financial measures have been presented below for Q3-2025 and YTD-2025 compared to Q3-2024 and YTD-2024.

FFO AND AFFO

A reconciliation of net income and comprehensive income, determined in accordance with IFRS, to FFO and AFFO is presented below for Q3-2025 and YTD-2025 compared to Q3-2024 and YTD-2024:

	Q3-2025	Q3-2024	YTD-2025	YTD-2024
Net income and comprehensive income - attributable to Unitholders	\$ 511	\$ 710	\$ 579	\$ 9,070
Add / (deduct):				
Distributions to Unitholders	1,130	1,134	3,394	3,220
Interest income	—	—	—	(1,851)
Fair value adjustment of investment properties	(887)	(1,297)	(887)	(11,932)
Provision of carried interest	—	—	(959)	2,473
FFO	\$ 754	\$ 547	\$ 2,127	\$ 980
Add / (deduct):				
Amortization of financing costs	338	348	1,002	1,008
Sustaining capital expenditures and suite renovation reserves	(48)	(48)	(142)	(142)
AFFO	\$ 1,044	\$ 847	\$ 2,987	\$ 1,846
FFO per Unit - basic and diluted	\$ 0.06	\$ 0.04	\$ 0.16	\$ 0.08
FFO Payout Ratio	149.9 %	207.3 %	159.6 %	328.6 %
AFFO per Unit - basic and diluted	\$ 0.08	\$ 0.07	\$ 0.23	\$ 0.14
AFFO Payout Ratio	108.2 %	133.9 %	113.6 %	174.4 %
Distributions declared ⁽¹⁾	\$ 1,130	\$ 1,134	\$ 3,394	\$ 3,220
Weighted average Units outstanding - basic and diluted (000s)	12,923	12,958	12,932	12,968

⁽¹⁾ Distributions declared are calculated based on the monthly distribution per Unit.

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FFO

Basic and diluted FFO and FFO per Unit for Q3-2025 were \$754 and \$0.06, respectively (Q3-2024 - \$547 and \$0.04), representing an increase in FFO of \$207 or 37.8% and an increase in FFO per Unit of \$0.02 relative to Q3-2024, primarily due to an increase in NOI as well as lower finance costs and fund and trust expenses.

Basic and diluted FFO and FFO per Unit for YTD-2025 were \$2,127 and \$0.16, respectively (YTD-2024 - \$980 and \$0.08), representing an increase in FFO of \$1,147 or 117.0% and an increase in FFO per Unit of \$0.08 relative to YTD-2024, primarily due to the reasons noted above.

AFFO

Basic and diluted AFFO and AFFO per Unit for Q3-2025 were \$1,044 and \$0.08, respectively (Q3-2024 - \$847 and \$0.07), representing an increase in AFFO of \$197 or 23.3% and an increase in AFFO per Unit of \$0.01 relative to Q3-2024, primarily due to the reasons noted above under FFO.

Basic and diluted AFFO and AFFO per Unit for YTD-2025 were \$2,987 and \$0.23, respectively (YTD-2024 - \$1,846 and \$0.14), representing an increase in AFFO of \$1,141 or 61.8% and an increase in AFFO per Unit of \$0.09 relative to YTD-2024, primarily due to the reasons noted above under FFO.

Sustaining capital expenditures

For the purposes of calculating AFFO, the Fund utilized a reserve for sustaining capital expenditures and suite or home renovations of \$48 and \$142 for Q3-2025 and YTD-2025, respectively (Q3-2024 and YTD-2024 - \$48 and \$142). This reserve is used in the calculation of AFFO as it removes fluctuations in AFFO resulting from seasonality in actual sustaining capital expenditures and suite or home renovation costs. The use of the reserve also eliminates any potential fluctuations in AFFO due to non-recurring or less frequent sustaining capital expenditures. Sustaining capital expenditure reserves are based on third party property condition assessment reports, which provide an estimate of sustaining capital expenditures required based on the quality of construction, age of the building and anticipated future maintenance requirements. Management believes the use of these property assessment reports to estimate sustaining capital expenditure amounts is appropriate given the third party's engineering and structural expertise as well their knowledge and experience with real estate in the Primary Markets. Actual sustaining capital expenditures and suite or home renovation costs incurred during Q3-2025 and YTD-2025 were \$94 and \$189 (Q3-2024 and YTD-2024 - \$25 and \$204).

Cash provided by operating activities reconciliation to FFO and AFFO

Reconciliation of cash provided by operating activities determined in accordance with IFRS to FFO and AFFO for Q3-2025, YTD-2025, Q3-2024 and YTD-2024 are provided below:

	Q3-2025	Q3-2024	YTD-2025	YTD-2024
Cash provided by operating activities	\$ 2,943	\$ 2,826	\$ 9,380	\$ 9,333
Less: interest and finance costs	(2,260)	(2,319)	(6,746)	(7,442)
Cash provided by operating activities - including interest costs⁽¹⁾	683	507	2,634	1,891
Add / (deduct):				
Change in non-cash operating working capital	383	361	467	46
Change in restricted cash	26	27	28	51
Amortization of financing costs	(338)	(348)	(1,002)	(1,008)
FFO	754	547	2,127	980
Add / (deduct):				
Amortization of financing costs	338	348	1,002	1,008
Sustaining capital expenditures and suite renovation reserves	(48)	(48)	(142)	(142)
AFFO	\$ 1,044	\$ 847	\$ 2,987	\$ 1,846

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

Distributions to Unitholders relative to cash provided by operating activities

The Fund's Cash Provided by Operating Activities Including Interest Costs for Q3-2025 was \$683 (Q3-2024 - \$507), which was lower than distributions declared to Unitholders by \$447 (Q3-2024 - \$627).

The Fund's Cash Provided by Operating Activities Including Interest Costs for YTD-2025 was \$2,634 (YTD-2024 - \$1,891), which was lower than distributions declared to Unitholders by \$760 (YTD-2024 - \$1,329).

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The shortfall in Q3-2025 and YTD-2025 has improved primarily due to higher NOI and lower interest costs as compared to Q3-2024 and YTD-2024.

The Fund covers any shortfall between Cash Provided by Operating Activities Including Interest Costs and distributions using cash generated from operating activities of the Fund in certain periods where applicable, or through cash on hand, including any proceeds from financing activities as applicable or availability on the Fund's credit facilities.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

The Fund expects to be able to meet all of its obligations, including distributions to Unitholders and property maintenance and capital improvements. The Fund has financing sources to fulfill its commitments including cash on hand, cash flow from its operating activities and debt secured by the Properties. As at September 30, 2025, the Fund was in compliance with all of its financial covenants. The Fund continues to evaluate the changes in interest rates and the potential impacts of inflation, if any, on the liquidity and performance of the Canadian multi-family property asset class (see "Future Outlook").

As at September 30, 2025, the Fund had cash on hand of \$605 and \$2,500 of availability under the credit facility secured by Nanaimo 2 to fund existing operations.

The Fund was formed as a "closed-end" fund with an initial term of three years, a targeted yield of 3.0% to 4.0% and a targeted minimum 12% pre-tax total investor internal rate of return across all classes of Units. Although the AFFO Payout Ratio was in excess of 100% for Q3-2025, this was primarily due to the Fund electing to pay the 3.5% annualized targeted distribution for the Fund despite the financial impact of elevated interest rates and higher levels of inflation (see "Non-IFRS Financial Measures").

CASH FLOW

Cash provided by operating activities represents the primary source of liquidity to fund any distributions, debt service and capital improvements. The Fund's cash flow from operating activities is dependent upon the occupancy level of its investment properties, the rental rates on its leases, the collectability of rent from its residents, ancillary revenue, the level of operating and other expenses and other factors. Material changes in these factors may adversely affect the Fund's net cash flow from operating activities and liquidity. A more detailed discussion of these risks is found under the "Risks and Uncertainties" section. The following table details the changes in cash for Q3-2025, YTD-2025, Q3-2024 and YTD-2024:

	Q3-2025	Q3-2024	YTD-2025	YTD-2024
Cash provided by operating activities	\$ 2,943	\$ 2,826	\$ 9,380	\$ 9,333
Cash used in investing activities	(333)	(163)	(683)	(808)
Cash used in financing activities	(3,608)	(4,555)	(12,008)	(11,531)
Decrease in cash	(998)	(1,892)	(3,311)	(3,006)
Cash, beginning of period	1,603	3,700	3,916	4,814
Cash, end of period	\$ 605	\$ 1,808	\$ 605	\$ 1,808

Cash provided by operating activities during Q3-2025 and YTD-2025 was \$2,943 and \$9,380, respectively (Q3-2024 and YTD-2024 - \$2,826 and \$9,333), which primarily consisted of the operating income generated by the Properties, partially offset by changes in non-cash operating working capital and restricted cash.

Cash used in investing activities for Q3-2025 and YTD-2025 was \$333 and \$683, respectively (Q3-2024 and YTD-2024 - \$163 and \$808), which related to capital additions to the Properties.

Cash used in financing activities for Q3-2025 and YTD-2025 was \$3,608 and \$12,008, respectively, which primarily consisted of mortgage and credit facility repayments of \$1,022 and \$3,052, finance costs paid of \$2,264 and \$6,807, distributions paid of \$1,131 and \$3,395 and redemption of Units for \$91 and \$254, partially offset by proceeds from new financing of \$900 and \$1,500.

Cash used in financing activities for Q3-2024 was \$4,555, which primarily consisted of mortgage and credit facility repayments of \$948, finance costs paid of \$2,380, distributions of \$1,134 and \$93 paid for the redemption of Units.

Cash used in financing activities for YTD-2024 was \$11,531, which primarily consisted of mortgage and credit facility repayments of \$59,876, finance costs paid of \$10,240, distributions of \$3,174 and \$212 paid for the redemption of Units, partially offset by proceeds from new financing of \$60,120 and interest income of \$1,851.

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CAPITAL STRUCTURE AND DEBT PROFILE
CAPITAL STRUCTURE

The Fund's capital is the aggregate of Indebtedness and net liabilities attributable to Unitholders. The Fund's capital management is designed to maintain a level of capital that allows it to implement its business strategy while complying with investment and debt restrictions as well as existing debt covenants, as the Fund continues to build Unitholder value and maintain sufficient capital contingency amounts. The total capital of the Fund as at September 30, 2025 is summarized below:

	September 30, 2025	December 31, 2024
Loans payable ⁽¹⁾	\$ 267,995	\$ 269,546
Net liabilities attributable to Unitholders	152,145	151,820
Total capital attributable to Unitholders	\$ 420,140	\$ 421,366

⁽¹⁾ Loans payable include fixed rate mortgages and non-revolving term credit facilities.

	September 30, 2025	December 31, 2024
Indebtedness to Gross Book Value	64.4%	65.0%
Weighted average interest rate - as at period end	3.25%	3.28%
Weighted average loan term to maturity	4.34 years	5.09 years

	Q3-2025	Q3-2024	YTD-2025	YTD-2024
Weighted average interest rate - average during period	3.26%	3.40%	3.27%	3.43%
Interest Coverage Ratio	1.54x	1.41x	1.52x	1.33x
Indebtedness Coverage Ratio	1.05x	1.00x	1.03x	0.96x

As at September 30, 2025, the overall leverage, as represented by the ratio of Indebtedness to Gross Book Value, was 64.4% (December 31, 2024 - 65.0%) and the weighted average term to maturity was 4.34 years (December 31, 2024 - 5.09 years). The maximum allowable ratio under the Declaration of Trust is 75%.

For Q3-2025 Interest Coverage Ratio and Indebtedness Coverage Ratio were 1.54x and 1.05x, respectively (Q3-2024 - 1.41x and 1.00x). The increase in both ratios during Q3-2025 relative to Q3-2024 was primarily due to higher NOI and reduction in interest costs.

For YTD-2025, the Interest Coverage Ratio and Indebtedness Coverage Ratio were 1.52x and 1.03x, respectively (YTD-2024 - 1.33x and 0.96x). The increase in both ratios during YTD-2025 relative to YTD-2024 was primarily due to higher NOI as well as the impact of lower interest rates on variable debt and the increase to the proportion of the Fund's fixed rate debt.

LOANS PAYABLE

The following table sets out scheduled principal and interest payments and amounts maturing on the loans over each of the next four fiscal years and the weighted average interest rate of maturing loans based on the Fund's condensed consolidated interim financial statements as at September 30, 2025:

	Scheduled principal payments	Debt maturing during the year	Total loans payable	Percentage of total loans payable	Weighted average interest rate of maturing loans	Scheduled interest payments ⁽¹⁾
2025 - reminder of year	\$ 1,042	\$ —	\$ 1,042	0.4 %	— %	\$ 2,216
2026	4,231	—	4,231	1.6 %	— %	8,559
2027	3,436	90,664	94,100	35.0 %	3.44 %	6,102
2028	3,218	10,355	13,573	5.1 %	2.00 %	5,235
2029	2,834	39,518	42,352	15.8 %	3.48 %	4,641
Thereafter	4,829	107,868	112,697	42.1 %	3.13 %	10,557
	\$ 19,590	\$ 248,405	\$ 267,995	100.0 %	3.25 %	\$ 37,310
Unamortized financing costs			(5,267)			
Carrying value			\$ 262,728			

⁽¹⁾ Scheduled interest payments and interest rates on non-revolving term credit facilities are based on the one-month Canadian Overnight Repo Rate Average ("CORRA") as at September 30, 2025.

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COMMITMENTS AND CONTINGENCIES

From time to time in the normal course of business, the Fund may be involved in litigation and claims in relation to its investment properties. As at the date hereof, in the opinion of management, none of the litigation or claims, individually or in aggregate, would result in a liability that would have a significant adverse effect on the financial position of the Fund. The Fund has agreed to indemnify, in certain circumstances, the directors and officers of the Fund and its subsidiaries.

NET LIABILITIES ATTRIBUTABLE TO UNITHOLDERS

The Fund is authorized to issue an unlimited number of Units. The beneficial interest in the net income and comprehensive income of the Fund is divided into three classes of Units: class A Units; class B Units; and class C Units. Below is a summary by class of the net liabilities attributable to Unitholders for the period from January 1, 2024 to September 30, 2025:

	Class A	Class B	Class C	Total
Net liabilities attributable to Unitholders, January 1, 2024	\$ 49,316	\$ 61,642	\$ 40,793	\$151,751
Redemption of Units	(127)	(177)	—	(304)
Net income and comprehensive income	113	142	118	373
Net liabilities attributable to Unitholders, December 31, 2024	49,302	61,607	40,911	151,820
Redemption of Units	(154)	(98)	(2)	(254)
Net income and comprehensive income	188	235	156	579
Net liabilities attributable to Unitholders, September 30, 2025	49,336	61,744	41,065	152,145

The following table summarizes the changes in Units outstanding for YTD-2025:

(in thousands of Units)	Class A	Class B	Class C	Total
Outstanding as at January 1, 2025	4,176	5,384	3,388	12,948
Redemption of Units	(15)	(10)	—	(25)
Outstanding as at September 30, 2025	4,161	5,374	3,388	12,923

During YTD-2025, pursuant to the Declaration of Trust, 15,236 class A Units, 9,893 class B Units and 150 Class C Units were redeemed at 95% of NAV, amounting to a total of \$254 (see "Subsequent Events").

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RELATED PARTY TRANSACTIONS AND ARRANGEMENTS

ARRANGEMENTS WITH THE MANAGER

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

- (a) **Asset management fees:** 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.

For Q3-2025 and YTD-2025, the Fund incurred asset management fees of \$409 and \$1,229 (Q3-2024 and YTD-2024 - \$414 and \$1,238), which were charged to fund and trust expenses. Asset management fees payable to the Manager as at September 30, 2025 was \$137 (December 31, 2024 - \$138).

- (a) **Acquisition fees:** Pursuant to the Management Agreement, as assigned, 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 the property. In addition, the Fund reimburses the Manager for all reasonable and necessary actual out-of-pocket costs and expenses incurred by the Manager in connection with the performance of the services described in the Management Agreement or such other services which the Fund and the Manager agree in writing are to be provided from time to time by the Manager.

For Q3-2025 and YTD-2025, the Manager did not incur any acquisition fees (Q3-2024 and YTD-2024 - \$nil). Acquisition fees are paid at the time of acquisition and are initially capitalized to investment properties on acquisition.

- (b) **Guarantee fees:** Pursuant to the Management Agreement, in the event that the Manager or an affiliate is required by the lenders of the Fund to provide a financing guarantee in connection with the amount borrowed by the Fund or its subsidiaries relating to a property, the Fund will, in consideration for providing such guarantee, pay the Manager, in aggregate, 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 Q3-2025 and YTD-2025, the Fund incurred guarantee fees of \$86 and \$255 (Q3-2024 and YTD-2024 - \$42 and \$232). The increase in guarantee fees for Q3-2025 and YTD-2025 relative to Q3-2024 and YTD-2024 was due to the higher drawn balance of Fund's credit facility during Q3-2025 and YTD-2025. The amount payable to the Manager as at September 30, 2025 was \$28 (December 31, 2024 - \$29).

Other related party transactions

Aggregate compensation to key management personnel was \$nil for Q3-2025 and YTD-2025, as compensation of these individuals is paid by the Manager pursuant to the Management Agreement (Q3-2024 and YTD-2024 - \$nil).

CARRIED INTEREST

Through D.D. Acquisitions Partnership ("DDAP") as holder of the Starlight Western Canada Multi-Family (No. 2) Holding LP (the "Holding LP") Class B limited partnership units, Daniel Drimmer is indirectly entitled to a carried interest, being (i) an aggregate amount equal to 25% of the total of all amounts each of which is the amount, if any, by which (A) the aggregate amount of distributions which would have been paid on all Units of a particular class if all distributable cash of the Holding LP was received by the Fund (including through Starlight Western Canada Multi-Family Holding GP Inc.), together with all other amounts distributable by the Fund (including distributable cash generated by investees of the Fund not held through the Holding LP, if any), and distributed by the Fund (net of any amounts required to provide for expenses) to Unitholders in accordance with the Declaration of Trust, exceeds (B) the aggregate minimum return (being 7.0%) in respect of such class of Units (the calculation of which includes the amount of the investors capital return base), provided that, to the extent that the aggregate amount of distributions which would have been paid on all Units of a particular class pursuant to the foregoing exceeds the minimum return for such class, DDAP will first be entitled to an aggregate amount equal to 50% of each such excess amount (i.e., a catch-up) until the amounts, if any, distributable to Unitholders of each class in excess of the investors capital return base is equal to three times (i.e., 75%/25%) the catch-up payment receivable by DDAP in respect of such class,

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and if more than one series of a class of Units is issued subsequent to the closing date, the foregoing calculations and distributions will be separately determined on the basis of each such series.

As at September 30, 2025, the Fund had recognized a provision for carried interest of \$nil (December 31, 2024 - \$959), resulting in a corresponding recovery of \$nil and \$959 for Q3-2025 and YTD-2025 (Q3-2024 and YTD-2024 - expense of \$nil and \$2,473).

MATERIAL ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

A summary of the material accounting policies is provided in note 3 to the audited consolidated financial statements of the Fund for the year ended December 31, 2024. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at each financial statement date, and revenues and expenses for the periods indicated. Actual results could differ from those estimates.

CRITICAL JUDGMENTS AND ESTIMATES

The preparation of the condensed consolidated interim financial statements in conformity with IFRS 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 condensed consolidated interim 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 condensed consolidated interim financial statements include the following:

- (a) **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.
- (b) **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.
- (c) **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 internal financial information, external market data and capitalization rates provided by independent industry experts through third-party appraisals. In addition, the Fund obtains valuations from third-party appraisers at least once annually for each Property.
- (d) **Carried interest:** The determination by the Fund as at each statement of financial position date as to whether a provision for carried interest should be recognized to the partners of Holding LP is based, among other criteria, on the Fund's analysis of the net liabilities attributable to Unitholders, distributions paid to Unitholders since the formation of the Fund and the Fund's ability to meet the requirement to return the initial investment amount contributed from the limited partners of the Fund and the Minimum Return (as defined in the Prospectus) (see "Related Party Transactions and Arrangements").
- (e) **Leases:** The Fund makes judgments in determining whether certain leases, in particular resident leases are accounted for under IFRS as either operating or finance leases. The Fund has determined that all of its leases are operating leases.

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- (f) **Consolidation:** The Fund has determined that it controls all of its subsidiaries, including the significant subsidiaries (as defined in the consolidated financial statements for the year ended December 31, 2024). In making this determination, it considered the relationships between the Fund, the Manager, and the significant subsidiaries including ownership interests, voting rights and management agreements. Through this analysis, it was determined that the Manager is an agent of the Fund.

FUTURE ACCOUNTING POLICY CHANGES

The future accounting policy changes are discussed in the Fund's condensed consolidated interim financial statements for the three and nine months ended September 30, 2025 and the notes contained therein.

RISKS AND UNCERTAINTIES

There are certain risks inherent in an investment in the Units of the Fund and activities of the Fund. Risks and uncertainties are disclosed in the Fund's MD&A for the year ended December 31, 2024 and is available at www.sedarplus.ca. Current and prospective investors of the Fund should carefully consider such risk factors. Other than set out or contemplated herein, management is not aware of any significant changes in the risk and uncertainties since March 6, 2025, the date of the Fund's MD&A for the year ended December 31, 2024.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Fund maintains information systems, procedures and controls to ensure all information disclosed externally is as complete, reliable and timely as possible. Such internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS.

All control systems have inherent limitations, including well-designed and operated systems. No control system can provide complete assurance that the objectives of the control system will be met. Furthermore, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, will be detected or prevented. These inherent limitations include, without limitation, the possibility that management's assumptions and judgements may ultimately prove to be incorrect under varying conditions and circumstances and the impact of isolated errors. As a growing enterprise, management anticipates that the Fund will be continually evolving and enhancing its systems of controls and procedures.

Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions.

SUBSEQUENT EVENTS

Subsequent to September 30, 2025, 5,810 Class A Units and 770 Class B Units were redeemed in accordance with the Declaration of Trust at 95% of NAV, amounting to a total of \$68.

On October 30, 2025, the Fund announced a proposed business combination with the Starlight Western Canada Multi-Family Limited Partnership, 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. The proposed transaction is expected to enhance diversification, operational efficiency, and access to capital, while positioning the combined entity to pursue a broader range of strategic alternatives and synergies, including a potential future capital raise and reduced cost of borrowing. In connection with the transaction, the Fund intends to extend its term by two years with two additional one-year extension options and permit a one-time re-opening within 18 months to raise up to 25% of the combined market capitalization. The combined entity is expected to target an annual yield of 2 to 3%.

Additional information relating to the Fund can be found on SEDAR+ at www.sedarplus.ca.

Dated: November 18, 2025

Toronto, Ontario, Canada



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