



3641 & 3651 Elliot Road, Kelowna, British Columbia

**STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2025**

March 6, 2026

**STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND - Q4 2025 MD&A**

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**FUND TARGETS**

- **ANNUAL PRE-TAX TARGETED DISTRIBUTION YIELD: 2.0% to 3.0%**
- **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



**2338 South Island Highway**  
Campbell River, British Columbia



**2670 Library Lane**  
North Vancouver, British Columbia



**5085 Uplands Drive**  
Nanaimo, British Columbia



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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following management's discussion and analysis ("MD&A") of the consolidated financial statements of Starlight Western Canada Multi-Family (No. 2) Fund (the "Fund") dated March 6, 2026 for the three months ended December 31, 2025 ("Q4-2025") and for the year ended December 31, 2025 ("YTD-2025") should be read in conjunction with the Fund's audited consolidated financial statements for the year ended December 31, 2025 and December 31, 2024 ("YTD-2024"), both of which have been prepared in accordance with IFRS Accounting Standards ("IFRS"). These documents are available on SEDAR+ at [www.sedarplus.ca](http://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 amounts related to trust units of the Fund or interests owned by the non-controlling interests (collectively, "Unit") and figures for average monthly rent ("AMR")<sup>1</sup>. 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.

Figures throughout this MD&A include any amounts attributable to non-controlling interests, unless otherwise stated.

**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

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<sup>1</sup> The 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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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.

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 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 (loss) income and comprehensive (loss) 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 (loss) income and comprehensive (loss) 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 and non-controlling interests (“Unitholders”) and any other one-time income or expenses. Adjusted Net Income and Comprehensive Income is used in calculating certain ratios described below.

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FFO is defined as net (loss) income and comprehensive (loss) 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 (loss) income and comprehensive (loss) income.

FFO payout ratio (“FFO Payout Ratio”) compares distributions declared to FFO and is calculated by taking distributions 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 (loss) income and comprehensive (loss) 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 the Fund’s 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.

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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 (loss) income and comprehensive (loss) income.

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

Reconciliations of net (loss) income and comprehensive (loss) 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 2.40% in December 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 March 6, 2026.

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 91.8% of its total debt as at December 31, 2025. This capital structure is intended to support cash flow stability and mitigate exposure to future interest rate volatility.

According to Statistics Canada, the December 2025 unemployment rate in Canada was 6.3%, as compared to an unemployment rate of 5.7% in the Province of British Columbia ("BC"), including Vancouver Island and the Coast Region. BC gained approximately 19,400 jobs between December 2024 and December 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, in November 2025, these targets were further adjusted down from 395,000 to 380,000 for 2026, 2027 and 2028. Throughout 2025, the United States imposed 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 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 reductions have improved borrower sentiment and affordability, the timing and extent of any further reductions by the Bank of Canada remain uncertain, reflecting relatively strong labor market conditions, evolving economic factors, and the potential impacts of new or expanded U.S. trade measures. Notwithstanding these uncertainties, management does not currently expect changes in interest rates, immigration levels, or trade conditions to have a material adverse impact on the Fund's operating results, as affordability challenges, limited housing supply, and a continued slowdown in new residential construction are expected to sustain demand for multi-family rental housing. The Fund will continue to closely monitor these developments and adjust its strategy as appropriate.

On December 17, 2025, the Fund completed the acquisition of Starlight Western Canada Multi-Family Limited Partnership ("SW1"), comprising of six multi-family properties to create a single investment platform comprising of fifteen multi-family properties totaling 1,413 suites, including the Fund's existing portfolio of nine multi-family properties across Primary Markets, with an aggregate combined value of \$639,400. The 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 has extended its term by two years to December 16, 2027 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 2.0 to 3.0%.

The Fund believes that the transaction will strengthen its long-term positioning by enhancing financing flexibility and creating additional avenues for liquidity, while maintaining exposure to high-quality multi-family assets in strong growth markets across Primary Markets.

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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 and December 16, 2025 (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. Subsequently, on December 12, 2025, pursuant to the Declaration of Trust, the Unitholders approved a special resolution to extend the Fund's term to December 16, 2027, with two one-year extensions available at the option of the Board.

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”). All these properties are referred to as the “Initial Properties”.

The acquisition of the Initial Properties was valued at \$375,860, which was financed by Offering proceeds of \$105,842 and debt of \$270,018. The Fund had approximately \$36,549 of available liquidity including \$20,000 of availability under Fund's credit facilities as at December 31, 2025, which is expected to be used to fund existing operations and the continuation of the Fund's business objectives.

On December 17, 2025, the Fund completed the acquisition of SW1, comprising of six multi-family properties (“Subsequent Properties”) to create a single investment platform comprising of fifteen multi-family properties, including the Fund's existing portfolio of nine multi-family properties across Primary Markets (the “Transaction”). SW1 properties included 2036 South Island Highway, Campbell River, BC (“Campbell”), 3641 & 3651 Elliot Road, Kelowna, BC (“Kelowna”), 5085 Uplands Drive, Nanaimo, BC (“Nanaimo3”), 155 Moilliet Street, Parksville, BC (“Parksville”), 2338 South Island Highway, Campbell River, BC, (“Campbell 2”) and 2670 Library Lane, North Vancouver, BC (“North Vancouver”). The Properties are all located in BC with the Fund owning a total of 1,413 multi-family suites as at December 31, 2025 (see “Portfolio Summary”).

As a result of the Transaction, SW1 became a subsidiary of the Fund with the Fund receiving new class C Limited Partnership Units (“Class C LP Units”) of SW1 and retained approximately 61.4% of the c structure, while the existing unitholders of SW1 (“Existing Unitholders”) retained their units and collectively hold the remaining approximate 38.6% through limited class A limited partnership units (“Class A LP Units”) and class B limited partnership units (Class B LP Units) of SW1 (see “Non-Controlling Interests”). SW1 indirectly owns all the properties controlled by the Fund.

**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

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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.

**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

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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:

- (a) promote resource efficiency, reducing costs and minimize environmental degradation;
- (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 December 16, 2027 (unless further extended in accordance with 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 2025, the Fund hosted a range of resident-focused social events across its Properties, including celebrations for Pride Month, Earth Day and Earth Hour, a Halloween costume contest, International Women’s Day, as well as community BBQs, ice cream socials and others. 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.

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**PORTFOLIO SUMMARY**

| Property                                       | Address                                       | City            | 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                |
| Campbell                                       | 2036 South Island Highway                     | Campbell River  | 51           | 2019        | 42,609                 | 835                      | 0.90              | 12/17/2025 <sup>(1)</sup> |
| Kelowna  | 3641 & 3651 Elliot Road                       | Kelowna         | 140          | 2020        | 107,869                | 770                      | 1.84              | 12/17/2025 <sup>(1)</sup> |
| Nanaimo 3                                      | 5085 Uplands Drive                            | Nanaimo         | 59           | 2019        | 45,238                 | 767                      | 0.91              | 12/17/2025 <sup>(1)</sup> |
| Parksville                                     | 155 Moilliet Street                           | Parksville      | 74           | 2020        | 61,360                 | 829                      | 1.50              | 12/17/2025 <sup>(1)</sup> |
| Campbell 2                                     | 2338 South Island Highway                     | Campbell River  | 70           | 2020        | 57,455                 | 821                      | 1.20              | 12/17/2025 <sup>(1)</sup> |
| North Vancouver                                | 2670 Library Lane                             | North Vancouver | 75           | 2020        | 62,776                 | 837                      | 0.67              | 12/17/2025 <sup>(1)</sup> |
| <b>Total ownership as at December 31, 2025</b> |   |                 | <b>1,413</b> | <b>2019</b> | <b>1,115,188</b>       | <b>789</b>               | <b>24.19</b>      |                           |

<sup>(1)</sup> These six Properties were acquired as part of the Transaction between the Fund and SW1 on December 17, 2025 (see "Investment Overview, Objectives and Strategy").

**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.

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**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.

**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.

**CAMPBELL**

Campbell was completed in 2019 and is located approximately 261 kilometers northwest of downtown Victoria and 150 kilometers northwest of downtown Nanaimo at 2036 South Island Highway, Campbell River, BC. The property is situated just across the street from the ocean with stunning views and access to the Sea walk and Frank James Park. Built on a 0.90 acre site, Campbell comprises 51 multi-family suites, ranging in size from bachelor to large two bedrooms, in one mid-rise building.

**KELOWNA**

Kelowna was completed in 2020 and is located approximately 13.6 kilometers west of downtown Kelowna at 3641 & 3651 Elliot Road, West Kelowna, BC. The property's location provides a rural touch with urban advantages and is near shopping amenities, local restaurants, and public transit. Built on a 1.84 acre site, Kelowna comprises 140 multi-family suites, ranging in size from bachelor to three bedrooms, in two mid-rise buildings.

**NANAIMO 3**

Nanaimo 3 was completed in 2019 and is located approximately 123 kilometers north of downtown Victoria at 5085 Uplands Drive, Nanaimo, BC. The property is near Woodgrove Shopping Centre, Nanaimo North Town Centre. Built on a 0.91 acre site, Nanaimo 3 comprises 59 multi-family suites, ranging in size from bachelor to two bedrooms, in one mid-rise building.

**PARKSVILLE**

Parksville was completed in 2020 and is located approximately 149 kilometers northwest of downtown Victoria and 40 kilometers northwest of downtown Nanaimo at 155 Moilliet Street, Parksville, BC. The property is near the beach, downtown shopping, public transit and a host of commercial amenities. Built on a 1.50 acre site, Parksville comprises 74 multi-family suites, ranging in size from bachelor to large two bedrooms, in one mid-rise building.

**CAMPBELL 2**

Campbell 2 was completed in 2020 and is located approximately 261 kilometers northwest of downtown Victoria and 150 kilometers northwest of downtown Nanaimo at 2338 South Island Highway, Campbell River, BC. The property is located across from the ocean and from Campbell River's Sea walk, a short distance from Willow's Market. Built on a 1.20 acre site, Campbell 2 comprises 70 multi-family suites, ranging in size from bachelor to three bedrooms, in one mid-rise building.

**NORTH VANCOUVER**

North Vancouver was completed in 2020 and is located approximately 13 kilometers northeast of downtown Vancouver at 2670 Library Lane, North Vancouver, BC. The property is near several regional parks and golf clubs with direct bus access to Lonsdale Quay and Capilano University. Built on a 0.67 acre site, North Vancouver comprises 75 multi-family suites, ranging in size from bachelor to three bedrooms, in one mid-rise building.

**STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND - Q4 2025 MD&A**Notes 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 December 31, 2025 and for the periods ended Q4-2025 and YTD-2025 including a comparison to the Fund's financial and operational performance as at December 31, 2024 and for the period ended for the three months ended December 31, 2024 ("Q4-2024") and YTD-2024.

**HIGHLIGHTS FOR Q4-2025**

- On December 17, 2025, the Fund completed the acquisition of SW1, comprising of six multi-family properties to create a single investment platform comprising of fifteen multi-family properties totaling 1,413 suites, including the Fund's existing portfolio of nine multi-family properties across Primary Markets, with an aggregate value of \$639,400. The 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 extended its term by two years to December 16, 2027 with two additional one-year extension options available and permit a onetime 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 2.0 to 3.0%.
- The Fund achieved AMR growth of approximately 5.0% between Q4-2025 and Q4-2024 including the impact of acquisition of SW1 properties. The growth continues 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 NOI<sup>1</sup> for Q4-2025 were \$6,094 and \$4,151 (Q4-2024 - \$5,484 and \$3,834), respectively, representing an increase in revenue of 11.1%, primarily due to the difference in the number of Properties owned and number of operating days during each period ("Primary Variance Driver"), higher Economic Occupancy<sup>1</sup> and AMR growth achieved in Q4-2025 relative to Q4-2024 and resulting in an increase in NOI of 8.3% relative to Q4-2024 (see "Results of Operations").
- The Fund reported Physical Occupancy<sup>1</sup> of 94.8%% as at December 31, 2025.
- The Fund reported a net loss and comprehensive loss for Q4-2025 of \$1,439 (Q4-2024 - loss of \$8,697). The loss in Q4-2025 was primarily driven by non-cash items including a higher provision for carried interest, partially offset by fair value gain on investment properties during Q4-2025 primarily attributable to NOI growth.
- The Fund had approximately \$36,549 of available liquidity as at December 31, 2025, including \$20,000 of availability under the Fund's credit facilities.
- As at March 5, 2026, the Fund had collected approximately 99.3% of rents for Q4-2025, with further amounts expected to be collected in future periods, demonstrating the Fund's high quality resident base and operating performance.
- AFFO<sup>1</sup> for Q4-2025 was \$1,196 (Q4-2024 - \$1,004), representing an increase of \$192 or 19.1% relative to Q4-2024, primarily due to the increase in NOI described above as well as lower fund and trust expenses, partially offset by finance costs due to Primary Variance Driver (see "Non-IFRS Financial Measures").

**HIGHLIGHTS FOR YTD-2025**

- Revenue from property operations and NOI for YTD-2025 were \$22,483 and \$15,614 (YTD-2024 - \$21,611 and \$15,008), respectively, representing an increase of 4.0% for both figures relative to YTD-2024, primarily due to the Primary Variance Driver as well as AMR growth described above, partially offset by lower Economic Occupancy during YTD-2025 relative to YTD-2024 (see "Results of Operations").
- The Fund reported a net loss and comprehensive loss for YTD-2025 of \$893 (YTD-2024 - \$373). The loss in YTD-2025 was primarily attributable to non-cash items including a higher provision for carried interest and distributions paid as compared to YTD-2024, partially offset by higher fair value gain on investment properties and lower finance costs and fund and trust expenses as compared to YTD-2024.
- AFFO for YTD-2025 was \$4,183 (YTD-2024 - \$2,851), representing an increase of \$1,332 or 46.7% 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") as well as the impact of the acquisition of SW1.

<sup>1</sup> The 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**

|  | December 31,<br>2025 |                | December 31,<br>2024 |                 |
|--|----------------------|----------------|----------------------|-----------------|
| <b>Key multi-family operational information</b>                              |                      |                |                      |                 |
| Number of multi-family properties owned                                      | 15                   |                | 9                    |                 |
| Total multi-family suites  | 1,413                |                | 944                  |                 |
| Economic Occupancy <sup>(1)</sup>  | 91.8%                |                | 91.3%                |                 |
| Physical Occupancy <sup>(1)</sup>  | 94.8%                |                | 94.9%                |                 |
| AMR (in actual dollars)  | \$                   | 2,100          | \$                   | 2,000           |
| AMR per square foot (in actual dollars)                                      | \$                   | 2.64           | \$                   | 2.56            |
| <b>Selected financial information</b>  |                      |                |                      |                 |
| Gross Book Value <sup>(2)</sup>  | \$                   | 639,400        | \$                   | 414,480         |
| Indebtedness <sup>(2)</sup>  | \$                   | 410,899        | \$                   | 269,546         |
| Indebtedness to Gross Book Value <sup>(2)</sup>                              | 64.3%                |                | 65.0%                |                 |
| Weighted average interest rate - as at period end <sup>(3)</sup>             | 2.92%                |                | 3.28%                |                 |
| Weighted average loan term to maturity                                       | 4.14 years           |                | 5.09 years           |                 |
|  | <b>Q4-2025</b>       | <b>Q4-2024</b> | <b>YTD-2025</b>      | <b>YTD-2024</b> |
| <b>Summarized income statement</b>   |                      |                |                      |                 |
| Revenue from property operations   | \$ 6,094             | \$ 5,484       | \$ 22,483            | \$ 21,611       |
| Property operating   | (1,453)              | (1,229)        | (5,012)              | (4,921)         |
| Property taxes   | (490)                | (421)          | (1,857)              | (1,682)         |
| Adjusted Income from Operations / NOI  | 4,151                | 3,834          | 15,614               | 15,008          |
| Fund and trust expenses  | (520)                | (522)          | (2,108)              | (2,266)         |
| Finance costs <sup>(4)</sup>   | (2,879)              | (2,585)        | (10,627)             | (11,035)        |
| Other income and expense <sup>(5)</sup>                                      | (2,191)              | (9,424)        | (3,739)              | (1,334)         |
| Net (loss) income and comprehensive (loss) income                            | \$ (1,439)           | \$ (8,697)     | \$ (860)             | \$ 373          |
| <b>Other selected financial information</b>                                  |                      |                |                      |                 |
| FFO <sup>(2)</sup>   | \$ 752               | \$ 727         | \$ 2,879             | \$ 1,707        |
| FFO per Unit - basic and diluted <sup>(6)</sup>                              | 0.05                 | 0.06           | 0.22                 | 0.13            |
| AFFO <sup>(2)</sup>  | 1,196                | 1,004          | 4,183                | 2,851           |
| AFFO per Unit - basic and diluted <sup>(6)</sup>                             | 0.08                 | 0.08           | 0.32                 | 0.22            |
| Weighted average interest rate - average during period                       | 2.92%                | 3.31%          | 2.96%                | 3.35%           |
| Interest Coverage Ratio <sup>(2)(7)</sup>                                    | 1.59x                | 1.49x          | 1.54x                | 1.57x           |
| Indebtedness Coverage Ratio <sup>(2)(7)</sup>                                | 1.09x                | 1.04x          | 1.05x                | 1.12x           |
| Distributions <sup>(6)</sup>   | \$ 1,294             | \$ 1,133       | \$ 4,688             | \$ 4,353        |
| Weighted average Units outstanding - basic and diluted (000s) <sup>(6)</sup> | 14,287               | 12,949         | 13,271               | 12,963          |

<sup>(1)</sup> Economic Occupancy for Q4-2025 and Q4-2024 and Physical Occupancy as at the end of each applicable reporting period. The Fund's Economic Occupancy for Q4-2025 was 91.8% 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 94.8% as the Fund focused on increasing the Physical Occupancy at the Properties.

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

<sup>(3)</sup> The weighted average interest rate on loans payable is presented as at December 31, 2025 and December 31, 2024, respectively.

<sup>(4)</sup> 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").

<sup>(5)</sup> 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.

<sup>(6)</sup> Weighted average Units outstanding, FFO per Unit and AFFO per Unit include all of the Fund's Units including any Units of the Fund's subsidiaries relating to the non-controlling interests. Distributions also include amounts declared to all Unitholders.

<sup>(7)</sup> 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 Q4-2025 and the previous seven quarters:

|  | Q4-2025           | Q3-2025       | Q2-2025         | Q1-2025       | Q4-2024           | Q3-2024       | Q2-2024         | Q1-2024         |
|--|-------------------|---------------|-----------------|---------------|-------------------|---------------|-----------------|-----------------|
| Revenue from property operations                                   | \$ 6,094          | \$ 5,477      | \$ 5,452        | \$ 5,460      | \$ 5,484          | \$ 5,502      | \$ 5,374        | \$ 5,251        |
| Property operating   | (1,453)           | (1,158)       | (1,158)         | (1,243)       | (1,229)           | (1,313)       | (1,128)         | (1,251)         |
| Property taxes   | (490)             | (455)         | (492)           | (420)         | (421)             | (420)         | (486)           | (355)           |
| <b>Income from rental operations</b>                               | <b>4,151</b>      | <b>3,864</b>  | <b>3,802</b>    | <b>3,797</b>  | <b>3,834</b>      | <b>3,769</b>  | <b>3,760</b>    | <b>3,645</b>    |
| Fund and trust expenses  | (520)             | (512)         | (550)           | (526)         | (522)             | (555)         | (591)           | (598)           |
| Interest income  | —                 | —             | —               | —             | —                 | —             | —               | 1,851           |
| Finance costs <sup>(1)</sup>                                       | (2,879)           | (2,598)       | (2,575)         | (2,575)       | (2,585)           | (2,667)       | (2,915)         | (2,868)         |
| Distributions <sup>(2)</sup>                                       | (1,294)           | (1,130)       | (1,132)         | (1,132)       | (1,133)           | (1,134)       | (1,089)         | (997)           |
| Fair value adjustment of investment properties                     | 748               | 887           | —               | —             | (17,835)          | 1,297         | 2,527           | 8,108           |
| Provision for carried interest                                     | (1,645)           | —             | 278             | 681           | 9,544             | —             | —               | (2,473)         |
| <b>Net (loss) income and comprehensive (loss) income</b>           | <b>\$ (1,439)</b> | <b>\$ 511</b> | <b>\$ (177)</b> | <b>\$ 245</b> | <b>\$ (8,697)</b> | <b>\$ 710</b> | <b>\$ 1,692</b> | <b>\$ 6,668</b> |
| Net (loss) income and comprehensive (loss) income attributable to: |                   |               |                 |               |                   |               |                 |                 |
| Unitholders  | (1,472)           | 511           | (177)           | 245           | (8,697)           | 710           | 1,692           | 6,668           |
| Non-controlling interests  | 33                | —             | —               | —             | —                 | —             | —               | —               |
| <b>Net (loss) income and comprehensive (loss) income</b>           | <b>\$ (1,439)</b> | <b>\$ 511</b> | <b>\$ (177)</b> | <b>\$ 245</b> | <b>\$ (8,697)</b> | <b>\$ 710</b> | <b>\$ 1,692</b> | <b>\$ 6,668</b> |
| FFO  | \$ 752            | \$ 754        | \$ 677          | \$ 696        | \$ 727            | \$ 547        | \$ 254          | \$ 179          |
| AFFO   | 1,196             | 1,044         | 964             | 979           | 1,004             | 847           | 591             | 408             |
| FFO per Unit - basic and diluted <sup>(2)</sup>                    | 0.05              | 0.06          | 0.05            | 0.05          | 0.06              | 0.04          | 0.02            | 0.01            |
| AFFO per Unit - basic and diluted <sup>(2)</sup>                   | 0.08              | 0.08          | 0.07            | 0.08          | 0.08              | 0.07          | 0.05            | 0.03            |
| Distributions per Unit <sup>(2)</sup>                              | 0.09              | 0.09          | 0.09            | 0.09          | 0.09              | 0.09          | 0.08            | 0.08            |

<sup>(1)</sup> 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").

<sup>(2)</sup> Distributions per Unit, FFO per Unit and AFFO per Unit include all of the Fund's Unitholders including non-controlling interests. Distributions also include amounts declared to all Unitholders.

**RESULTS OF OPERATIONS**

The results for Q4-2025 and YTD-2025 reflected the operations for the three months and year ended December 31, 2025 for the Initial Properties as well as 16 days of operating activity for the Subsequent Properties. In comparison, the results for Q4-2024 and YTD-2024 comparative periods reflected the operations for the three months and year ended December 31, 2024 for the Initial Properties.

The variances reflected in the results of operations between Q4-2025 and Q4-2024, as well as between YTD-2025 and YTD-2024 were primarily as a result of the Primary Variance Driver.

The amounts presented throughout this section, including the applicable commentary, include any amounts attributable to the non-controlling interests.

|                                  | Q4-2025         | Q4-2024         | \$ Chg        | % Chg       | YTD-2025         | YTD-2024         | \$ Chg        | % Chg       |
|----------------------------------|-----------------|-----------------|---------------|-------------|------------------|------------------|---------------|-------------|
| Revenue from property operations | \$ 6,094        | \$ 5,484        | \$ 610        | 11.1%       | \$ 22,483        | \$ 21,611        | \$ 872        | 4.0%        |
| Property operating               | (1,453)         | (1,229)         | (224)         | (18.2)%     | (5,012)          | (4,921)          | (91)          | (1.8)%      |
| Property taxes                   | (490)           | (421)           | (69)          | (16.4)%     | (1,857)          | (1,682)          | (175)         | (10.4)%     |
| <b>NOI</b>                       | <b>\$ 4,151</b> | <b>\$ 3,834</b> | <b>\$ 317</b> | <b>8.3%</b> | <b>\$ 15,614</b> | <b>\$ 15,008</b> | <b>\$ 606</b> | <b>4.0%</b> |
| <b>NOI Margin<sup>(1)</sup></b>  | <b>68.1%</b>    | <b>69.9%</b>    |               |             | <b>69.4%</b>     | <b>69.4%</b>     |               |             |

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

**STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND - Q4 2025 MD&A**Notes to readers | Future outlook | Our business | Highlights | **Financial performance** | Other disclosures | Schedule A

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**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 Q4-2025 was \$6,094 (Q4-2024 - \$5,484), representing an increase of \$610 or 11.1% relative to Q4-2024, primarily due to Primary Variance Driver as well as higher Economic Occupancy and AMR growth of 5.0% during Q4-2025 relative to Q4-2024 (see "Average Monthly Rent and Occupancy").

Revenue from property operations for YTD-2025 was \$22,483 (YTD-2024 - \$21,611), representing an increase of \$872 or 4.0% relative to YTD-2024, primarily due to the Primary Variance Driver as well as AMR growth, partially offset by lower Economic Occupancy.

**PROPERTY OPERATING COSTS**

The main components of property operating costs are repairs and maintenance expenses (approximately 26%), administrative costs including property management fees (approximately 19%), utility costs (approximately 19%), salaries and benefits (approximately 14%) and insurance expenses (approximately 11%). Given each component of property operating costs is not individually material, such amounts have not been separately disclosed.

Property operating costs for Q4-2025 and YTD-2025 were \$1,453 and \$5,012, respectively (Q4-2024 and YTD-2024 - \$1,229 and \$4,921). The increase of \$224 and \$91 relative to Q4-2025 and YTD-2024 is due the Primary Variance Driver and increases in contract and advertising costs at the Properties, partially offset by lower applicable management fees at certain Properties.

**PROPERTY TAXES**

Property taxes for Q4-2025 and YTD-2025 were \$490 and \$1,857, respectively (Q4-2024 and YTD-2024 - \$421 and \$1,682), representing increases of \$69 and \$175 relative to Q4-2024 and YTD-2024 due to a combination of increases in the tax rates and assessed values of the Properties for the tax year 2025, as well as the impact of the Primary Variance Driver.

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 Q4-2025 and YTD-2025 was \$4,151 and \$15,614, respectively (Q4-2024 and YTD-2024 - \$3,834 and \$15,008), representing an increase of \$317 or 8.3% and an increase of \$606 or 4.0% relative to Q4-2024 and YTD-2024, primarily due to the Primary Variance Driver, supplemented by strong AMR growth and partially offset by the increase in property operating costs and property taxes as described above.

During Q4-2025 and YTD-2025, the NOI Margin was 68.1% and 69.4% (Q4-2024 and YTD-2024 - 69.9% and 69.4%), respectively, representing increases of 180 and nil basis points relative to Q4-2024 and YTD-2024, primarily due to the higher property operating costs and property taxes.

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**AVERAGE MONTHLY RENT AND OCCUPANCY**

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

| Properties              | Suites       | AMR <sup>(1)</sup> |                 |              | Economic Occupancy <sup>(1)</sup> |               |              |               |               |               |
|-------------------------|--------------|--------------------|-----------------|--------------|-----------------------------------|---------------|--------------|---------------|---------------|---------------|
|                         |              | Q4-2025            | Q4-2024         | % Chg        | Q4-2025                           | Q4-2024       | % Chg        | YTD-2025      | YTD-2024      | % Chg         |
| Nanaimo                 | 251          | \$ 2,184           | \$ 2,138        | 2.2 %        | 95.6 %                            | 92.5 %        | 3.1 %        | 92.2 %        | 90.6 %        | 1.6 %         |
| Langford                | 60           | 2,027              | 2,037           | (0.5)%       | 86.1 %                            | 89.4 %        | (3.3)%       | 86.2 %        | 90.5 %        | (4.3)%        |
| Vernon                  | 60           | 1,990              | 1,915           | 3.9 %        | 88.7 %                            | 93.6 %        | (4.9)%       | 88.9 %        | 92.7 %        | (3.8)%        |
| Vernon 2                | 43           | 1,990              | 1,886           | 5.5 %        | 84.3 %                            | 97.1 %        | (12.8)%      | 89.5 %        | 95.8 %        | (6.3)%        |
| Langford 2              | 81           | 2,046              | 1,989           | 2.9 %        | 91.9 %                            | 94.2 %        | (2.3)%       | 88.7 %        | 93.7 %        | (5.0)%        |
| Langford 3              | 166          | 1,905              | 1,846           | 3.2 %        | 90.8 %                            | 88.7 %        | 2.1 %        | 91.0 %        | 91.3 %        | (0.3)%        |
| Langley                 | 57           | 2,063              | 2,005           | 2.9 %        | 83.9 %                            | 90.3 %        | (6.4)%       | 92.0 %        | 91.5 %        | 0.5 %         |
| Nanaimo 2               | 120          | 2,073              | 2,010           | 3.1 %        | 95.5 %                            | 87.5 %        | 8.0 %        | 89.7 %        | 88.7 %        | 1.0 %         |
| Langford 4              | 106          | 2,075              | 1,986           | 4.5 %        | 92.7 %                            | 92.7 %        | — %          | 91.5 %        | 90.2 %        | 1.3 %         |
| Campbell                | 51           | 1,992              | n/a             | n/a          | 86.8 %                            | n/a           | n/a          | 86.8 %        | n/a           | n/a           |
| Kelowna                 | 140          | 1,892              | n/a             | n/a          | 91.3 %                            | n/a           | n/a          | 91.3 %        | n/a           | n/a           |
| Nanaimo 3               | 59           | 1,946              | n/a             | n/a          | 93.0 %                            | n/a           | n/a          | 93.0 %        | n/a           | n/a           |
| Parksville              | 74           | 1,994              | n/a             | n/a          | 97.3 %                            | n/a           | n/a          | 97.3 %        | n/a           | n/a           |
| Campbell 2              | 70           | 2,087              | n/a             | n/a          | 90.2 %                            | n/a           | n/a          | 90.2 %        | n/a           | n/a           |
| North Vancouver         | 75           | 3,320              | n/a             | n/a          | 83.1 %                            | n/a           | n/a          | 83.1 %        | n/a           | n/a           |
| <b>Total properties</b> | <b>1,413</b> | <b>\$ 2,100</b>    | <b>\$ 2,000</b> | <b>5.0 %</b> | <b>91.8 %</b>                     | <b>91.3 %</b> | <b>0.5 %</b> | <b>90.6 %</b> | <b>91.1 %</b> | <b>(0.5)%</b> |

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

Total portfolio AMR for Q4-2025 was \$2,100, or 5.0% higher than Q4-2024 primarily as a result of the Fund focusing on optimizing revenue at the Properties as well as impact of AMR related to the acquisition of the properties owned by SW1.

Fund's Economic Occupancy for Q4-2025 and YTD-2025 was 91.8% and 90.6% (Q4-2024 and YTD-2024 - 91.3% and 91.1%), respectively, representing an increase of 48 basis points relative to Q4-2024 and a decrease of 50 basis points relative to YTD-2024, primarily as a result of the Fund balancing rental growth and occupancy at each Property to maximize revenue, including the impact of Economic Occupancy related to the Subsequent Properties. As at December 31, 2025, the Fund had Physical Occupancy of 94.8%, 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.

**QUARTERLY AMR AND OCCUPANCY**

The table below outlines the Fund's quarterly AMR and Economic Occupancy results for Q4-2025 and the previous four quarters:

| Properties             | Suites       | Q4-2025            |                           | Q3-2025            |                           | Q2-2025            |                           | Q1-2025            |                           | Q4-2024            |                           |
|------------------------|--------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|
|                        |              | AMR <sup>(1)</sup> | Econ. occ% <sup>(1)</sup> |
| Nanaimo                | 251          | \$ 2,184           | 95.6 %                    | \$ 2,183           | 92.0 %                    | \$ 2,167           | 88.7 %                    | \$ 2,160           | 92.6 %                    | \$ 2,138           | 92.5 %                    |
| Langford               | 60           | 2,027              | 86.1 %                    | 2,014              | 81.9 %                    | 2,029              | 88.4 %                    | 2,040              | 88.5 %                    | 2,037              | 89.4 %                    |
| Vernon                 | 60           | 1,990              | 88.7 %                    | 1,982              | 86.2 %                    | 1,960              | 90.7 %                    | 1,935              | 90.2 %                    | 1,915              | 93.6 %                    |
| Vernon 2               | 43           | 1,990              | 84.3 %                    | 1,950              | 93.5 %                    | 1,944              | 88.3 %                    | 1,909              | 92.2 %                    | 1,886              | 97.1 %                    |
| Langford 2             | 81           | 2,046              | 91.9 %                    | 2,019              | 83.5 %                    | 2,028              | 88.0 %                    | 2,009              | 91.6 %                    | 1,989              | 94.2 %                    |
| Langford 3             | 166          | 1,905              | 90.8 %                    | 1,884              | 90.1 %                    | 1,878              | 93.9 %                    | 1,875              | 89.3 %                    | 1,846              | 88.7 %                    |
| Langley                | 57           | 2,063              | 83.9 %                    | 2,052              | 96.5 %                    | 2,062              | 96.1 %                    | 2,043              | 91.7 %                    | 2,005              | 90.3 %                    |
| Nanaimo 2              | 120          | 2,073              | 95.5 %                    | 2,067              | 91.3 %                    | 2,065              | 84.2 %                    | 2,047              | 87.8 %                    | 2,010              | 87.5 %                    |
| Langford 4             | 106          | 2,075              | 92.7 %                    | 2,062              | 90.6 %                    | 2,045              | 91.0 %                    | 2,022              | 91.6 %                    | 1,986              | 92.7 %                    |
| Campbell               | 51           | 1,992              | 86.8 %                    | n/a                | n/a                       | n/a                | n/a                       | n/a                | n/a                       | n/a                | n/a                       |
| Kelowna                | 140          | 1,892              | 91.3 %                    | n/a                | n/a                       | n/a                | n/a                       | n/a                | n/a                       | n/a                | n/a                       |
| Nanaimo 3              | 59           | 1,946              | 93.0 %                    | n/a                | n/a                       | n/a                | n/a                       | n/a                | n/a                       | n/a                | n/a                       |
| Parksville             | 74           | 1,994              | 97.3 %                    | n/a                | n/a                       | n/a                | n/a                       | n/a                | n/a                       | n/a                | n/a                       |
| Campbell 2             | 70           | 2,087              | 90.2 %                    | n/a                | n/a                       | n/a                | n/a                       | n/a                | n/a                       | n/a                | n/a                       |
| North Vancouver        | 75           | 3,320              | 83.1 %                    | n/a                | n/a                       | n/a                | n/a                       | n/a                | n/a                       | n/a                | n/a                       |
| <b>Total portfolio</b> | <b>1,413</b> | <b>\$ 2,100</b>    | <b>91.8 %</b>             | <b>\$ 2,046</b>    | <b>90.0 %</b>             | <b>\$ 2,039</b>    | <b>89.7 %</b>             | <b>\$ 2,027</b>    | <b>90.8 %</b>             | <b>\$ 2,000</b>    | <b>91.3 %</b>             |

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

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The Fund's AMR increased to \$2,100 during Q4-2025 primarily as a result of the Fund focusing on rent increases at the Properties, which consistently increased over the preceding four quarters. In addition, the Economic Occupancy increased by 180 basis points during Q4-2025 relative to Q3-2025. These increases were supported in part by the acquisition of SW1. As at December 31, 2025, the Fund had Physical Occupancy of 94.8%. 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 amounts presented throughout this section, including the applicable commentary, included any amounts attributable to the non-controlling interests.

The Fund's finance costs for Q4-2025 and YTD-2025 compared to Q4-2024 and YTD-2024 are summarized below:

|  | Q4-2025         | Q4-2024         | \$ Chg        | % Chg         | YTD-2025         | YTD-2024         | \$ Chg          | % Chg         |
|--|-----------------|-----------------|---------------|---------------|------------------|------------------|-----------------|---------------|
| Interest expense on loans payable                      | \$ 2,290        | \$ 2,229        | \$ 61         | 2.7 %         | \$ 8,781         | \$ 9,305         | \$ (524)        | (5.6)%        |
| Amortization of financing costs                        | 495             | 325             | 170           | 52.3 %        | 1,497            | 1,333            | 164             | 12.3 %        |
| Other financing costs                                  | 94              | 31              | 63            | 203.2 %       | 349              | 397              | (48)            | (12.1)%       |
| <b>Total finance costs</b>                             | <b>\$ 2,879</b> | <b>\$ 2,585</b> | <b>\$ 294</b> | <b>11.4 %</b> | <b>\$ 10,627</b> | <b>\$ 11,035</b> | <b>\$ (408)</b> | <b>(3.7)%</b> |
| Weighted average interest rate - average during period | <b>2.92%</b>    | <b>3.31%</b>    | n/a           | n/a           | <b>2.96%</b>     | <b>3.35%</b>     | n/a             | n/a           |
| Indebtedness - average outstanding during period       | \$ 290,901      | \$ 267,356      | \$ 23,545     | 8.8 %         | \$ 273,900       | \$ 260,078       | \$ 13,822       | 5.3 %         |

*Interest expense on loans payable*

Interest expense on loans payable for Q4-2025 was \$2,290 (Q4-2024 - \$2,229), representing an increase of \$61 or 2.7% relative to Q4-2024, primarily as a result of increase in average outstanding debt due the Primary Variance Driver, partially offset by 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.

Interest expense on loans payable for YTD-2025 was \$8,781 (YTD-2024 - \$9,305), representing a decrease of \$524 or 5.6% relative to 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, partially offset by higher average outstanding debt due to the Primary Variance Driver.

The Fund's weighted average interest rate during Q4-2025 and YTD-2025 was 2.92% and 2.96% (Q4-2024 and YTD-2024 - 3.31% and 3.35%), respectively, representing a decrease of 39 and 39 basis points relative to Q4-2024 and YTD-2024 respectively, primarily due to the reduced exposure to variable rate debt and reduction in Bank of Canada's target interest rates as described above.

*Amortization of financing costs*

Amortization of financing costs for Q4-2025 was \$495 (Q4-2024 - \$325), representing an increase of \$170 or 52.3% relative to Q4-2024, primarily due to the financing activities entered in April 2024, December 2024 and December 2025, respectively, as well as the impact of the Primary Variance Driver.

Amortization of financing costs for YTD-2025 was \$1,497 (YTD-2024 - \$1,333), representing an increase of \$164 or 12.3% relative to YTD-2024, primarily due the same reason as described above for Q4-2025.

*Other financing costs*

Other financing costs for Q4-2025 were \$94 (Q4-2024 - \$31), representing an increase of \$63 or 203.2%, primarily due to the higher guarantee fees paid to the Manager as a result of higher drawn balance of credit facilities in Q4-2025 as compared to Q4-2024 as well as the impact of the Primary Variance Driver.

Other financing costs for YTD-2025 were \$349 (YTD-2024 - \$397), representing a decrease of \$48 or 12.1%, primarily due to the one-time financing charge related to the Langford 2 mortgage repayment on April 2, 2024, partially offset by the higher guarantee fees paid to the Manager as a result of higher drawn balance of credit facilities in YTD-2025 as compared to YTD-2024 as well as the impact of the Primary Variance Driver.

**STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND - Q4 2025 MD&A**Notes to readers | Future outlook | Our business | Highlights | **Financial performance** | Other disclosures | Schedule A**DISTRIBUTIONS**

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 2.0% to 3.0% 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.

*Distributions to Unitholders of the Fund*

During YTD-2025, the Fund declared distributions to Unitholders as follows:

| Class A   | Class B   | Class C   |
|-----------|-----------|-----------|
| \$0.34821 | \$0.33755 | \$0.35629 |

*Distributions to non-controlling interests*

Following the acquisition of SW1, the Fund declared a distribution to Unitholders of record as at December 31, 2025 relating to the Class A and Class B LP Units of SW1, payable on January 15, 2026. During YTD-2025, the Fund declared distributions to non-controlling interests as follows:

| Class A LP | Class B LP |
|------------|------------|
| \$0.02585  | \$0.02585  |

For Q4-2025 and YTD-2025, the Fund declared distributions totaling \$1,294 and \$4,688 (Q4-2024 and YTD-2024 - \$1,133 and \$4,353), representing an increase of \$161 or 14.2% and \$335 or 7.7% relative to Q4-2024 and YTD-2024, primarily as a result of the Board approving an increase to the Fund's annual pre-tax distribution yield, applicable to its Unitholders of record as of May 31, 2024, as well as additional distributions declared to the new Unitholders from the acquisition of SW1.

**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 Q4-2025 were \$520 (Q4-2024 - \$522), representing a marginal decrease of \$2 or 0.4% relative to Q4-2024.

Fund and trust expenses for YTD-2025 were \$2,108 (YTD-2024 - \$2,266), representing a decrease of \$158 or 7.0% relative to YTD-2024, primarily due to lower applicable asset management fees and certain general and administrative expenses as compared to YTD-2024, partially offset by Primary Variance Driver.

**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 Q4-2025 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. As at December 31, 2025, the Properties were valued using third party appraisals. 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.

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| <b>Change in investment properties from January 1, 2024 to December 31, 2025:</b> |           | <b>Amount</b>  |
|---|-----------|----------------|
| Balance, January 1, 2024  | \$        | 419,500        |
| Additions   |           | 883            |
| Fair value adjustment   |           | (5,903)        |
| <b>Balance, December 31, 2024</b>   |           | <b>414,480</b> |
| Acquisitions  |           | 220,020        |
| Additions   |           | 3,265          |
| Fair value adjustment   |           | 1,635          |
| <b>Balance, December 31, 2025</b>   | <b>\$</b> | <b>639,400</b> |

| <b>Reconciliation of cost base of investment properties to their fair value:</b> | <b>December 31, 2025</b> | <b>December 31, 2024</b> |
|--|--------------------------|--------------------------|
| Cost   | \$ 602,879               | \$ 379,594               |
| Cumulative fair value adjustments  | 36,521                   | 34,886                   |
| <b>Fair value</b>  | <b>\$ 639,400</b>        | <b>\$ 414,480</b>        |

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

|   | <b>December 31, 2025</b> | <b>December 31, 2024</b> |
|---|--------------------------|--------------------------|
| Capitalization rate - range   | 3.75% to 5.00%           | 4.15% to 5.00%           |
| Capitalization rate - weighted average  | 4.43 %                   | 4.38 %                   |
| Weighted average capitalization rate - 10 basis point increase <sup>(1)</sup> | \$ (14,115)              | \$ (9,252)               |
| Weighted average capitalization rate - 10 basis point decrease <sup>(1)</sup> | \$ 14,767                | \$ 9,684                 |

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

During Q4-2025 and YTD-2025, the Fund recorded fair value gain on investment properties of \$748 and \$1,635 (Q4-2024 and YTD-2024 - loss of \$17,835 and \$5,903). The fair value gain during Q4-2025 and YTD-2025 was primarily attributable to NOI growth.

The impact of a 1% change in NOI used to value the investment properties as at December 31, 2025 would affect the fair value by approximately \$6,394 (December 31, 2024 - \$4,145).

### PROVISION FOR CARRIED INTEREST

As at December 31, 2025, the Fund recognized a provision for carried interest of \$nil, resulting in a expense recorded to the consolidated statement of (loss) income and comprehensive (loss) income for Q4-2025 and YTD-2025 of \$1,645 and \$686 (Q4-2024 and YTD-2024 - recovery of \$9,544 and \$7,071) (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.

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**NON-IFRS FINANCIAL MEASURES - FFO AND AFFO**

Non-IFRS financial measures have been presented below for Q4-2025 and YTD-2025 compared to Q4-2024 and YTD-2024.

**FFO AND AFFO**

A reconciliation of net (loss) income and comprehensive (loss) income, determined in accordance with IFRS, to FFO and AFFO is presented below for Q4-2025 and YTD-2025 compared to Q4-2024 and YTD-2024:

|  | Q4-2025         | Q4-2024         | YTD-2025        | YTD-2024        |
|--|-----------------|-----------------|-----------------|-----------------|
| Net (loss) income and comprehensive (loss) income                            | \$ (1,439)      | \$ (8,697)      | \$ (860)        | \$ 373          |
| Add / (deduct):  |                 |                 |                 |                 |
| Interest income  | —               | —               | —               | (1,851)         |
| Distributions  | 1,294           | 1,133           | 4,688           | 4,353           |
| Fair value adjustment of investment properties                               | (748)           | 17,835          | (1,635)         | 5,903           |
| Provision for carried interest   | 1,645           | (9,544)         | 686             | (7,071)         |
| <b>FFO</b>   | <b>\$ 752</b>   | <b>\$ 727</b>   | <b>\$ 2,879</b> | <b>\$ 1,707</b> |
| Add / (deduct):  |                 |                 |                 |                 |
| Amortization of financing costs  | 495             | 325             | 1,497           | 1,333           |
| Sustaining capital expenditures and suite renovation reserves                | (51)            | (48)            | (193)           | (189)           |
| <b>AFFO</b>  | <b>\$ 1,196</b> | <b>\$ 1,004</b> | <b>\$ 4,183</b> | <b>\$ 2,851</b> |
| FFO per Unit - basic and diluted <sup>(2)</sup>                              | \$ 0.05         | \$ 0.06         | \$ 0.22         | \$ 0.13         |
| FFO Payout Ratio   | 172.1 %         | 155.8 %         | 162.8 %         | 255.0 %         |
| AFFO per Unit - basic and diluted <sup>(2)</sup>                             | \$ 0.08         | \$ 0.08         | \$ 0.32         | \$ 0.22         |
| AFFO Payout Ratio  | 108.2 %         | 112.8 %         | 112.1 %         | 152.7 %         |
| Distributions declared <sup>(1)</sup>  | \$ 1,294        | \$ 1,133        | \$ 4,688        | \$ 4,353        |
| Weighted average Units outstanding - basic and diluted (000s) <sup>(2)</sup> | 14,287          | 12,949          | 13,271          | 12,963          |

<sup>(1)</sup> Distributions declared are calculated based on the monthly distribution per Unit of the Fund and non-controlling interests.

<sup>(2)</sup> Weighted average Units outstanding, FFO per Unit and AFFO per Unit include all of the Fund's Unitholders including non-controlling interests.

**FFO**

Basic and diluted FFO and FFO per Unit for Q4-2025 were \$752 and \$0.05, respectively (Q4-2024 - \$727 and \$0.06), representing an increase in FFO of \$25 or 3.4% and a decrease in FFO per Unit of \$0.01 relative to Q4-2024, primarily due to an increase in NOI as a result of the Primary Variance Driver as well as lower fund and trust expenses.

Basic and diluted FFO and FFO per Unit for YTD-2025 were \$2,879 and \$0.22, respectively (YTD-2024 - \$1,707 and \$0.13), representing an increase in FFO of \$1,172 or 68.7% and an increase in FFO per Unit of \$0.09 relative to YTD-2024, primarily due to the reasons noted above as well as lower finance costs.

**AFFO**

Basic and diluted AFFO and AFFO per Unit for Q4-2025 were \$1,196 and \$0.08, respectively (Q4-2024 - \$1,004 and \$0.08), representing an increase in AFFO of \$192 or 19.1% and a consistent AFFO per Unit relative to Q4-2024, primarily due to the reasons noted above under FFO.

Basic and diluted AFFO and AFFO per Unit for YTD-2025 were \$4,183 and \$0.32, respectively (YTD-2024 - \$2,851 and \$0.22), representing an increase in AFFO of \$1,332 or 46.7% and an increase in AFFO per Unit of \$0.10 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 \$51 and \$193 for Q4-2025 and YTD-2025, respectively (Q4-2024 and YTD-2024 - \$48 and \$189). 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.

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Actual sustaining capital expenditures and suite or home renovation costs incurred during Q4-2025 and YTD-2025 were \$40 and \$229 (Q4-2024 and YTD-2024 - \$9 and \$213).

*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 Q4-2025, YTD-2025, Q4-2024 and YTD-2024 are provided below:

|   | Q4-2025         | Q4-2024         | YTD-2025        | YTD-2024        |
|---|-----------------|-----------------|-----------------|-----------------|
| <b>Cash provided by operating activities</b>  | \$ 5,341        | \$ 3,588        | \$ 14,721       | \$ 12,921       |
| Less: interest and finance costs  | (2,384)         | (2,260)         | (9,130)         | (9,702)         |
| <b>Cash provided by operating activities - including interest costs<sup>(1)</sup></b> | <b>2,957</b>    | <b>1,328</b>    | <b>5,591</b>    | <b>3,219</b>    |
| Add / (deduct):   |                 |                 |                 |                 |
| Change in non-cash operating working capital  | (1,809)         | (266)           | (1,342)         | (220)           |
| Change in restricted cash   | 99              | (10)            | 127             | 41              |
| Amortization of financing costs   | (495)           | (325)           | (1,497)         | (1,333)         |
| <b>FFO</b>  | <b>752</b>      | <b>727</b>      | <b>2,879</b>    | <b>1,707</b>    |
| Add / (deduct):   |                 |                 |                 |                 |
| Amortization of financing costs   | 495             | 325             | 1,497           | 1,333           |
| Sustaining capital expenditures and suite renovation reserves                         | (51)            | (48)            | (193)           | (189)           |
| <b>AFFO</b>   | <b>\$ 1,196</b> | <b>\$ 1,004</b> | <b>\$ 4,183</b> | <b>\$ 2,851</b> |

<sup>(1)</sup> 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 relative to cash provided by operating activities*

The Fund's Cash Provided by Operating Activities Including Interest Costs for Q4-2025 was \$2,957 (Q4-2024 - \$1,328), which was higher than distributions declared by \$1,663 (Q4-2024 - higher by \$195).

The Fund's Cash Provided by Operating Activities Including Interest Costs for YTD-2025 was \$5,591 (YTD-2024 - \$3,219), which was higher than distributions declared by \$903 (YTD-2024 - lower by \$1,134).

The excess of distributions in Q4-2025 and YTD-2025 has improved primarily due to higher NOI and lower interest costs and fund and trust expenses as compared to Q4-2024 and YTD-2024 (see "Results of Operations and Other Income and Expenses")

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 December 31, 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 December 31, 2025, the Fund had cash on hand of 16,549 and \$20,000 of availability under the Fund's credit facilities.

The Fund was formed as a "closed-end" fund with an initial term of three years and a targeted minimum 12% pre-tax total investor internal rate of return across all classes of Units. Following the acquisition of SW1 and the resulting larger portfolio of the Properties, the Fund has targeted distribution yield to a range of 2.0% to 3.0% across all classes of Units.

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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 Q4-2025, YTD-2025, Q4-2024 and YTD-2024:

|   | Q4-2025          | Q4-2024         | YTD-2025         | YTD-2024        |
|---|------------------|-----------------|------------------|-----------------|
| Cash provided by operating activities                   | \$ 5,341         | \$ 3,588        | \$ 14,721        | \$ 12,921       |
| Cash provided by (used in) investing activities         | 3,429            | (75)            | 2,746            | (883)           |
| Cash provided by (used in) financing activities         | 7,174            | (1,405)         | (4,834)          | (12,936)        |
| <b>Increase (decrease) in cash and cash equivalents</b> | <b>15,944</b>    | <b>2,108</b>    | <b>12,633</b>    | <b>(898)</b>    |
| Cash, beginning of year                                 | 605              | 1,808           | 3,916            | 4,814           |
| <b>Cash, end of year</b>                                | <b>\$ 16,549</b> | <b>\$ 3,916</b> | <b>\$ 16,549</b> | <b>\$ 3,916</b> |

Cash provided by operating activities during Q4-2025 and YTD-2025 was \$5,341 and \$14,721, respectively, which primarily consisted of the operating income generated by the Properties and changes in non-cash operating working capital, partially offset by changes in restricted cash.

Cash provided by operating activities during Q4-2024 was \$3,588, which primarily consisted of the operating income generated by the Properties, as well as changes in non-cash operating working capital and restricted cash.

Cash provided by operating activities during YTD-2024 was \$12,921, which primarily consisted of the operating income generated by the Properties and changes in non-cash operating working capital, partially offset by changes in restricted cash.

Cash provided by investing activities for Q4-2025 and YTD-2025 was \$3,429 and \$2,746, respectively, primarily due to the cash acquired through acquisition of SW1 during Q4-2025, partially offset by capital additions to investment properties.

Cash used in investing activities for Q4-2024 and YTD-2024 was \$75 and \$883, respectively, which related to capital additions to the Properties.

Cash provided by financing activities for Q4-2025 was \$7,174, which primarily consisted of proceeds from new financing of \$34,831, partially offset by mortgage and credit facility repayments of \$23,952, finance costs paid of \$2,495, distributions paid of \$1,129 and redemption of Units for \$81.

Cash used in financing activities for YTD-2025 was \$4,834, which primarily consisted of mortgage and credit facility repayments of \$27,004, finance costs paid of \$9,302, distributions paid of \$4,524 and redemption of Units for \$335, partially offset by the proceeds from new financing of \$36,331.

Cash used in financing activities for Q4-2024 and YTD-2024 was \$1,405 and \$12,936, which primarily consisted of mortgage and credit facility repayments of \$9,367 and 69,243, finance costs paid of \$2,312 and \$12,552, distributions of \$1,134 and \$4,308, redemption of Units for \$92 and \$304, partially offset by proceeds from new financing of \$11,500 and \$71,620 and one time interest income received of \$nil and \$1,851.

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The Fund's capital is the aggregate of Indebtedness and net liabilities attributable to Unitholders including non-controlling interests. 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 December 31, 2025 is summarized below:

|  | December<br>31, 2025 | December 31,<br>2024 |
|--|----------------------|----------------------|
| Loans payable <sup>(1)</sup>                     | \$ 410,899           | \$ 269,546           |
| Net liabilities attributable to Unitholders      | 150,592              | 151,820              |
| Non-controlling interests <sup>(2)</sup>         | 95,698               | —                    |
| <b>Total capital attributable to Unitholders</b> | <b>\$ 657,189</b>    | <b>\$ 421,366</b>    |

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

<sup>(2)</sup> The non-controlling interest reflects the 38.6% minority ownership of SW1 Existing Unitholders in the Fund.

|   | December<br>31, 2025 | December 31,<br>2024 |
|---|----------------------|----------------------|
| Indebtedness to Gross Book Value                  | 64.3%                | 65.0%                |
| Weighted average interest rate - as at period end | 2.92%                | 3.28%                |
| Weighted average loan term to maturity            | 4.14 years           | 5.09 years           |

  

|  | Q4-2025 | Q4-2024 | YTD-2025 | YTD-2024 |
|--|---------|---------|----------|----------|
| Weighted average interest rate - average during period | 2.92%   | 3.31%   | 2.96%    | 3.35%    |
| Interest Coverage Ratio                                | 1.59x   | 1.49x   | 1.54x    | 1.57x    |
| Indebtedness Coverage Ratio                            | 1.09x   | 1.04x   | 1.05x    | 1.12x    |

As at December 31, 2025, the overall leverage, as represented by the ratio of Indebtedness to Gross Book Value, was 64.3% (December 31, 2024 - 65.0%) and the weighted average term to maturity was 4.14 years (December 31, 2024 - 5.09 years). The maximum allowable ratio under the Declaration of Trust is 75% as defined therein.

For Q4-2025, the Interest Coverage Ratio and Indebtedness Coverage Ratio were 1.59x and 1.09x, respectively (Q4-2024 - 1.49x and 1.04x). The increase in both ratios during Q4-2025 relative to Q4-2024 was primarily due to higher NOI and reduction in interest costs.

For YTD-2025, the Interest Coverage Ratio and Indebtedness Coverage Ratio were 1.54x and 1.05x, respectively (YTD-2024 - 1.57x and 1.12x). The decrease in both ratios during YTD-2025 relative to YTD-2024 was primarily due to the incremental interest on historical balances received from the Fund's corporate banking provider in 2024 not included in 2025, partially offset by 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.

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**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 consolidated financial statements as at December 31, 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 <sup>(1)</sup> |
|---------------------------|------------------------------|-------------------------------|---------------------|-----------------------------------|--|--|
| 2026                      | \$ 6,493                     | \$ 28,505                     | \$ 34,998           | 8.5 %                             | 1.85 %   | \$ 11,583                                  |
| 2027                      | 5,447                        | 73,664                        | 79,111              | 19.3 %                            | 3.07 %   | 9,470                                      |
| 2028                      | 5,271                        | 44,186                        | 49,457              | 12.0 %                            | 3.96 %   | 8,780                                      |
| 2029                      | 4,930                        | 39,518                        | 44,448              | 10.8 %                            | 3.48 %   | 6,588                                      |
| 2030                      | 3,446                        | 61,383                        | 64,829              | 15.8 %                            | 2.08 %   | 4,816                                      |
| Thereafter                | 4,063                        | 133,993                       | 138,056             | 33.6 %                            | 2.96 %   | 8,810                                      |
|                           | <b>\$ 29,650</b>             | <b>\$ 381,249</b>             | <b>\$ 410,899</b>   | <b>100.0 %</b>                    | <b>2.92 %</b>                                    | <b>\$ 50,047</b>                           |
| Unamortized finance costs |                              |                               | (5,029)             |                                   |  |  |
| <b>Carrying value</b>     |                              |                               | <b>\$ 405,870</b>   |                                   |  |  |

<sup>(1)</sup> 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 December 31, 2025.

**FINANCING ACTIVITIES**

On April 2 2024, the Fund entered in to various refinancing arrangements, resulting in the repayment of fixed rate mortgages payable of \$13,682 and credit facilities payable of \$43,479, which were replaced by additional fixed rate mortgages of \$44,620 and credit facilities of \$15,500.

On November 26, 2024, the Fund entered into a \$4,000 credit facility secured by Nanaimo 2 at CORRA plus 2.25%, maturing on April 2, 2027. As of the date of acquisition of SW1, the Fund had drawn \$2,500 related to this credit facility.

On December 17, 2025, the Fund repaid a portion of existing credit facilities, including SW1 credit facilities of \$22,911 and entered into two non-revolving term facilities consisting of a fully drawn tranche of \$33,831 and an undrawn tranche of \$20,000, both maturing on December 31, 2028.

**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 (loss) income and comprehensive (loss) 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 of the Fund for the period from January 1, 2024 to December 31, 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 trust units   | (127)            | (177)            | —                | (304)            |
| Net income and comprehensive income                                   | 113              | 142              | 118              | 373              |
| <b>Net liabilities attributable to Unitholders, December 31, 2024</b> | <b>49,302</b>    | <b>61,607</b>    | <b>40,911</b>    | <b>151,820</b>   |
| Redemption of trust units   | (227)            | (106)            | (2)              | (335)            |
| Net loss and comprehensive loss                                       | (289)            | (363)            | (241)            | (893)            |
| <b>Net liabilities attributable to Unitholders, December 31, 2025</b> | <b>\$ 48,786</b> | <b>\$ 61,138</b> | <b>\$ 40,668</b> | <b>\$150,592</b> |

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

| (in thousands of trust units)              | Class A      | Class B      | Class C      | Total         |
|--|--------------|--------------|--------------|---------------|
| Outstanding as at January 1, 2025          | 4,176        | 5,384        | 3,388        | 12,948        |
| Redemption of trust units                  | (22)         | (11)         | —            | (33)          |
| <b>Outstanding as at December 31, 2025</b> | <b>4,154</b> | <b>5,373</b> | <b>3,388</b> | <b>12,915</b> |

During YTD-2025, pursuant to the Declaration of Trust, 22,279 class A Units, 10,663 class B Units and 150 class C Units were redeemed at 95% of NAV, amounting to a total of \$335 (see "Subsequent Events").

**NON-CONTROLLING INTERESTS**

On December 17, 2025, the Fund completed the acquisition of SW1, comprising of six multi-family properties to create a single investment platform comprising of fifteen multi-family properties totaling 1,413 suites, including the Fund's existing portfolio of nine multi-family properties across Primary Markets. As a result of this transaction, SW1 became a subsidiary of the Fund with the Fund receiving Class C LP Units of SW1 and retained approximately 61.4% of the consolidated structure, while the Existing Unitholders of SW1 retained their units and collectively hold the remaining 38.6% non-controlling interests through Class A LP and Class B LP Units.

|   |           |               |
|---|-----------|---------------|
| SW1 partnership interests as at December 17, 2025                   | \$        | 94,020        |
| Partnership interests issued <sup>(2)</sup>                         |           | 1,645         |
| Net income attributable to non-controlling interests <sup>(3)</sup> |           | 33            |
| <b>Balance, December 31, 2025</b>                                   | <b>\$</b> | <b>95,698</b> |

<sup>(1)</sup> Given the Fund's 61.4% ownership interest in SW1, the Fund has control over SW1 and has wholly consolidated its financial position and results of operations in the Fund's consolidated financial statements for the year ended December 31, 2025. The non-controlling interests representing approximately 38.6% are presented above and in the Fund's consolidated financial statements as non-controlling interest.

<sup>(2)</sup> The amount of \$1,645 represents the settlement of accrued carried interests of the Fund through issuance of additional 142,247 Class A LP Units of SW1 (note 11(b)) and is presented as expense in the Fund's consolidated financial statements for the year ended December 31, 2025.

There are no ongoing contractual commitments with Existing Unitholders who own the SW1 non-controlling interests. All decision making in respect of SW1, including day-to-day and material decisions, will be proportionately made by the Fund and SW1 non-controlling interests through established governance practices. For further information on SW1 non-controlling interests, please refer to the Fund's audited consolidated financial statements for the year ended December 31, 2025 available at [www.sedarplus.ca](http://www.sedarplus.ca).

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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, as amended and restated on December 16, 2025 (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 Q4-2025 and YTD-2025, the Fund incurred asset management fees of \$445 and \$1,675 (Q4-2024 and YTD-2024 - \$415 and \$1,653), which were charged to fund and trust expenses. Asset management fees payable to the Manager as at December 31, 2025 was \$209 (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 Q4-2025 and YTD-2025, the Fund did not incur any acquisition fees (Q4-2024 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 Q4-2025 and YTD-2025, the Fund incurred guarantee fees of \$94 and \$349 (Q4-2024 and YTD-2024 - \$31 and \$263). The increase in guarantee fees for Q4-2025 and YTD-2025 relative to Q4-2024 and YTD-2024 was due to the higher drawn balance of Fund's credit facility during Q3-2025 and YTD-2025 as well as Primary Variance Driver. The amount payable to the Manager as at December 31, 2025 was \$46 (December 31, 2024 - \$29).

#### *Other related party transactions*

Aggregate compensation to key management personnel was \$nil for Q4-2025 and YTD-2025, as compensation of these individuals is paid by the Manager pursuant to the Management Agreement (Q4-2024 and YTD-2024 - \$nil).

### CARRIED INTEREST

Through D.D. Acquisitions Partnership ("DDAP") as holder of special limited partnership units of SW1 ("Special LP Units") (as defined below) class B limited partnership units, Daniel Drimmer is indirectly entitled to a carried interest, being (i) an aggregate amount equal to 20% 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 SW1 was received by the Fund (including through Starlight Western Canada Multi-Family GP, Inc.), together with all other amounts distributable by the Fund (including distributable cash generated by investees of the Fund not held through the SW1, 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 8.0%) 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 four times (i.e., 80%/20%) the catch-up payment receivable by DDAP in respect of such class, and if more than one

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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.

On December 17, 2025, the accrued carried interests in both the Fund and any prior amounts due from SW1 were settled through the issuance of additional 973,623 Class A LP Units of SW1 to DDAP. In addition, DDAP was issued Special LP Units, representing the go-forward carried interest in SW1, which was reset to zero at the date of acquisition of SW1 and will begin to accrue carried interest based on future returns of the Fund and SW1.

As at December 31, 2025, the Fund had recognized a provision for carried interest of \$nil (December 31, 2024 - \$959), resulting in a corresponding expense of \$1,645 and \$686 for Q4-2025 and YTD-2025 (Q4-2024 and YTD-2024 - recovery of \$9,544 and \$7,071).

**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, 2025. 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 consolidated 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 consolidated 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 Special LP Units is based, among other criteria, on the Fund's analysis of the net liabilities attributable to Unitholders and non-controlling interests, 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 by the Unitholders (see "Related Party Transactions and Arrangements").

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(e) **Non-controlling interests:** The determination of non-controlling interests requires management to evaluate whether the Fund controls an investee and to assess the nature of ownership interests held by third parties. This evaluation affects whether an entity is consolidated and how the results and net assets of the subsidiary are attributed between the Fund and third-party unitholders. In performing this assessment, management reviews the relevant arrangements to determine decision-making rights, exposure to variable returns and the ability to influence those returns. Where the Fund concludes that control exists and ownership is not wholly owned, non-controlling interests are recognized and measured in accordance with the Fund's accounting policies.

(f) **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.

(g) **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, 2025). 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 consolidated financial statements for the year ended December 31, 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 Prospectus in the Risk Factors section that is available at [www.sedarplus.ca](http://www.sedarplus.ca). Current and prospective investors of the Fund should carefully consider such risk factors. If any of the following risks or those outlined in the Prospectus occur, or if others occur, the Fund's business, operating results and financial condition could be seriously harmed, and investors may lose all of their investment. Risks affecting the Fund will affect its ability to make distributions on its Units. Some of these risk factors are described below:

#### Risk factors relating to the Fund

(a) **Acquisition risk:** The acquisition of properties entails risks that investments will fail to perform in accordance with expectations, including the risks that the properties will not achieve anticipated occupancy levels and that expected rental increases, ancillary revenue opportunities and cost reductions may prove inaccurate. In undertaking such acquisitions, the Fund or its subsidiaries will incur certain risks, including the expenditure of funds, including non-refundable deposits, due diligence costs and inspection fees, and the devotion of the Manager's time to transactions that may not come to fruition. The operation of the Properties once acquired may not generate sufficient funds to make the payments of principal and interest due on any mortgages or loans or second mortgages and, upon default, one or more lenders could exercise their rights including foreclosure or the sale of the properties. On December 17, 2025, the Fund completed the acquisition of SW1, comprising of six multi-family properties to create a single investment platform comprising of fifteen multi-family properties totaling 1,413 suites, including the Fund's existing portfolio of nine multi-family properties across Primary Markets.

(b) **Interest rate risk:** The Fund is exposed to interest rate risk due to the impact of elevated interest rates on certain outstanding variable interest rate debt. There is also a risk that the Fund may not obtain financing on favorable interest rates and terms. The risk of unfavorable interest rate changes is managed by the Fund through its variable rate debt exposure. The Fund's variable rate debt was 8.2% of total debt as at December 31, 2025.

(c) **Inflation risk:** Increased inflation could have a more pronounced negative impact on the Fund's operations in the future. Similarly, during periods of high inflation, annual rent increases may be less than the rate of inflation. Substantial inflationary pressures could lead to higher rates of unemployment and may have an adverse impact on residents' ability to pay rent, which could negatively affect the financial condition of the Fund. The Fund's operations and financial condition could be materially and adversely affected to the extent that an economic slowdown or downturn occurs, is prolonged or becomes more severe.

(d) **General real estate ownership risks:** All real property investments are subject to a degree of risk and uncertainty including general economic conditions, local real estate markets, and various other factors. The value of real property and any improvements thereto depend on the credit and financial stability of residents and upon the vacancy rates of such properties. The Properties generate revenue through rental payments made by the residents

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thereof. The ability to rent vacant suites in the Properties will be affected by many factors, including changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, changing demographics, competition from other available properties, and various other factors. If a significant number of residents are unable to meet their obligations under their leases or if a significant amount of available space in the Properties becomes vacant and cannot be re-leased on economically favourable terms, the Properties may not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures, and distributable cash, if any, will be adversely affected.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a Property is producing any income. Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relationship with demand for and the perceived desirability of such investments. Such illiquidity will tend to limit the Fund's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Fund were to be required to quickly liquidate its Properties, the proceeds might be significantly less than the aggregate carrying value of the Properties or less than what could be expected to be realized under normal circumstances. The Fund may, in the future, be exposed to a general decline of demand by residents for space in Properties. As well, certain of the leases of the Properties may have early termination provisions which, if exercised, would reduce the average lease term.

Historical occupancy rates and revenues are not necessarily an accurate prediction of the future occupancy rates for the Properties or revenues to be derived therefrom. There can be no assurance that, upon the expiry or termination of existing leases, the average occupancy rates and revenues will be higher than historical occupancy rates and revenues, and it may take a significant amount of time for market rents to be recognized by the Fund due to internal and external limitations on its ability to charge these new market-based rents in the short-term.

(e) **Catastrophic events, natural disasters, severe weather and disease:** The Fund's business may be negatively impacted to varying degrees by a number of events which are beyond its control, including tornadoes, earthquakes, fires, floods, ice storms, cyber-attacks, unauthorized access, energy blackouts, pandemics, outbreaks of infectious disease, other public health crises affecting the markets where the Fund operates, terrorist attacks, acts of war, or other natural or manmade catastrophes. While the Fund engages in emergency preparedness, including business continuity planning, to mitigate risks, such events can evolve very rapidly and their impacts can be difficult to predict. As such, there can be no assurance that in the event of such a catastrophe that the Fund's operations and ability to carry on business will not be disrupted. The occurrence of such events may not release the Fund from performing its obligations to third parties. A catastrophic event, or fear associated therewith, could increase investment costs to repair or replace damaged properties, increase future property insurance costs and negatively impact resident demand, which could have a negative impact on the Fund's ability to conduct its business and increase its costs. In addition, liquidity and volatility, credit and insurance availability and market and financial conditions generally could change at any time as a result. While the Fund will seek to maintain insurance for loss of revenue resulting from the occurrence of certain natural disasters, insurance for certain natural disasters may not be available, and any of these events in isolation or in combination, could have a material negative impact on the Fund's financial condition and results of operations, decrease the amount of cash available for distribution to Unitholders.

The Fund may be exposed to the impact of events caused by climate change, including an increase in the frequency and severity of the natural disasters and serious weather conditions outlined above. Furthermore, as a real estate property owner and manager, the Fund faces the risk that its properties will be subject to government initiatives and reforms aimed at countering climate change, such as reduction in greenhouse gas emissions. The Fund may require operational changes and/or incur financial costs to comply with any such reforms. Any failure to adhere and adapt to climate change could result in fines or adversely affect the Fund's reputation, operations or financial performance.

(f) **Co-investment/joint ventures:** The Fund, on advice of the Manager, may invest in, or be a participant in, directly or indirectly, joint ventures and partnerships with third parties in respect of the Properties. A joint venture or partnership involves certain additional risks, including:

- i. the possibility that such co-venturers/partners may at any time have economic or business interests or goals that will be inconsistent with the Fund's or take actions contrary to the Manager's instructions or requests or to the Manager's policies or objectives with respect to the Properties;

- ii. the risk that such co-venturers/partners could experience financial difficulties or seek the protection of bankruptcy, insolvency or other laws, which could result in additional financial demands to maintain and operate such Properties or repay the co-venturers'/partners' share of property debt guaranteed by the Fund or its subsidiaries or for which the Fund or its subsidiaries will be liable and/or result in the Fund suffering or incurring delays, expenses and other problems associated with obtaining court approval of joint venture or partnership decisions;
- iii. the risk that such co-venturers/partners may, through their activities on behalf of or in the name of the ventures or partnerships, expose or subject the Fund or its subsidiaries to liability; and
- iv. the need to obtain co-venturers'/partners' consents with respect to certain major decisions or inability to have any decision making authority, including the decision to distribute cash generated from such Properties or to refinance or sell a Property.

In addition, the sale or transfer of interests in certain of the joint ventures and partnerships may be subject to certain requirements, such as rights of first refusal, rights of first offer or drag-along rights, and certain of the joint venture and partnership agreements may provide for buy-sell or similar arrangements. Such rights may inhibit the Fund's ability to sell an interest in a property or a joint venture/partnership within the time frame or otherwise on the basis the Manager desires. Additionally, drag-along rights may be triggered at a time when the Manager may not advise the Fund to sell its interest in a Property, but the Fund may be forced to do so at a time when it would not otherwise be in its best interest.

(g) **Substitutions for multi-family residential rental suites:** Demand for multi-family rental suites at the Properties is impacted by and inversely related to the relative cost of home ownership. The cost of home ownership depends upon, among other things, interest rates offered by financial institutions on mortgages and similar home financing transactions. Interest rates offered by financial institutions for financing home ownership have begun to rise. If the interest rates offered by financial institutions for home ownership financing are relatively low, demand for multi-family rental suites may be adversely affected. A reduction in the demand for multi-family rental suites may have an adverse effect on the Fund's ability to lease multi-family suites in the Properties and on the rents charged.

(h) **Government regulation:** BC has enacted residential tenancy legislation which may impose, among other things, rent control guidelines that limit the Fund's ability to raise rental rates at the Properties. Limits on the Fund's ability to raise rental rates at the Properties may adversely affect the Fund's ability to increase income from the Properties.

In addition to limiting the Fund's ability to raise rental rates, residential tenancy legislation in the Primary Markets may provide certain rights to residents, while imposing obligations upon landlords. Residential tenancy legislation may also prescribe procedures which must be followed by a landlord in order to terminate a residential tenancy or entirely restrict termination. As certain proceedings may need to be brought before the respective judicial or administrative body governing residential tenancies as appointed under a province's residential tenancy legislation, it may take several months to terminate a residential lease, even where the resident's rent is in arrears.

Further, residential tenancy legislation may provide residents with the right to bring certain claims to the respective judicial or administrative body seeking an order to, among other things, compel landlords to comply with health, safety, housing and maintenance standards. As a result, the Fund may, in the future, incur capital expenditures which may not be fully recoverable from residents.

Residential tenancy legislation may be subject to further regulations or may be amended, repealed or enforced, or new legislation may be enacted, in a manner which will materially adversely affect the ability of the Fund to maintain the historical level of earnings of the Properties.

(i) **Changes in applicable laws:** The Fund's operations must comply with numerous federal, provincial and local laws and regulations, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include zoning laws, building codes, landlord resident laws, tax laws and other laws generally applicable to business operations. Non-compliance with laws could expose the Fund to liability. Lower revenue growth or significant unanticipated expenditures may result from the Fund's need to comply with changes in applicable laws, including (i) laws imposing environmental remedial requirements and the potential liability for environmental conditions existing on Properties or the restrictions on discharges or other conditions, or (ii) other governmental rules and regulations or enforcement policies affecting the development, use and operation of the Properties, including changes to building codes and fire and life-safety codes.

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(j) **Financing risks:** There is no assurance that the Manager will be able to obtain sufficient mortgage loans to finance the acquisition of properties, or, if available, that the Manager will be able to obtain mortgage loans on commercially acceptable terms. Further, there is no assurance or guarantee that any mortgage loans, if obtained, will be renewed when they mature or, if renewed, renewed on the same terms and conditions (including the rate of interest). In the absence of mortgage financing, the number of properties which the Fund is able to purchase will decrease and the return from the ownership of properties (and ultimately the return on an investment in Units) will be reduced. The Fund is subject to the risks associated with debt financing, including the risk that the existing mortgage loans secured by the Properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness. In order to minimize this risk, the Fund attempts to appropriately structure the timing of the renewal of significant resident leases on the Properties in relation to the time at which mortgage loans on such Properties becomes due for refinancing.

(k) **Interest rate fluctuations:** Mortgages or loans may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Fund's cost of borrowing. The Fund does not currently have any hedging arrangements on its variable interest rate debt due to the primarily short term and revolving nature of the amounts.

(l) **Potential undisclosed liabilities associated with acquisitions:** The Fund fully deployed the Offering proceeds during 2023 and completed the acquisition of SW1 on December 17, 2025. The Properties acquired may be subject to existing liabilities, some of which might have been unknown at the time of the acquisition, which the Fund might have failed to uncover in its due diligence. Unknown liabilities might include liabilities for claims by residents, vendors or other persons dealing with the vendor or predecessor entities (that have not been asserted or threatened to date), tax liabilities, accrued but unpaid liabilities incurred in the ordinary course of business and cleanup and remediation of undisclosed environmental conditions. While in some instances the Fund may indirectly have the right to seek reimbursement against an insurer or another third party for certain of these liabilities, the Fund may not have recourse to the vendor of the Properties for any of these liabilities.

(m) **Environmental matters:** The Fund is subject to various other requirements (including federal, provincial and municipal laws, as applicable) relating to environmental matters. Such requirements provide that the Fund could be, or become, liable for environmental or other harm, damage or costs, including with respect to the release of hazardous, toxic or other regulated substances into the environment and/or affecting persons, and the removal or other remediation of hazardous, toxic or other regulated substances that may be present at or under its Properties, including lead-based paint, asbestos, polychlorinated biphenyls, petroleum-based fuels, mercury, volatile organic compounds, underground storage tanks, pesticides and other miscellaneous materials. Such requirements often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such materials. Additional liability may be incurred by the Fund with respect to the release of such substances from the Properties to properties owned by third parties, including properties adjacent to the Properties or with respect to the exposure of persons to regulated substances.

The failure to remove or otherwise address such substances may materially adversely affect the Fund's ability to sell such Property, maximize the value of such Property or borrow using such Property as collateral security, and could potentially result in claims or other proceedings against the Fund. It is the Fund's operating policy to obtain or be entitled to rely on an environmental site assessment prior to acquiring a Property. Where an environmental site assessment warrants further investigation, it is the Fund's operating policy to conduct further environmental assessments. Although such environmental assessments provide the Fund with some level of assurance about the condition of the Properties, the Fund may become subject to liability for undetected contamination or other environmental conditions of its Properties against which it cannot have insurance, or against which the Fund may elect not to have insurance where insurance premium costs are considered to be disproportionate to the assessed risk, which could have a material adverse effect on the Fund's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units. Environmental laws and other requirements can change and the Fund may become subject to more stringent environmental laws and other requirements in the future. Compliance with more stringent environmental requirements, the identification of currently unknown environmental issues or an increase in the costs required to address a currently known condition may have a material adverse effect on the Fund's business, cash flows, financial condition and results of operations and ability to make distributions to Unitholders.

(n) **Scrutiny and perception gaps regarding ESG matters:** Evolving Unitholder expectations with respect to ESG matters may pose risks to the Fund's brand and reputation, ability to attract and retain talent, financial outlook, cost of capital and global supply chain and business continuity, which may impact Fund's ability to achieve business objectives. Increased public awareness and growing concerns about climate change and the global

transition to a low carbon economy could result in a broad range of impacts. Significant capital is required to monitor emerging risks in a rapidly changing ecosystem and to sufficiently address evolving expectations related to corporate culture, business conduct and ethics, responsible management of our supply chain, transparency, respect for human rights, working and safety conditions, as well as diversity and inclusion, among other factors, which could affect profitability and reputation. Additional ESG-related regulations, changes in reporting frameworks and guidance, emergence of “greenwashing” legal actions by activist groups, and increasing regulatory expectations, as well as continuing reforms pertaining to mandatory disclosure create new and evolving compliance risks. Gaps in perception and acceptability of how ESG factors into Unitholder value also require increased vigilance surrounding ESG reporting and communication. As ESG performance is assessed by proxy advisory agencies, we could also face governance issues if we do not meet their expectations.

(o) **Uninsured losses:** The Fund or its subsidiaries will arrange for comprehensive insurance, including cyber, fire, liability and extended coverage, of the type and in the amounts customarily obtained for properties similar to those to be owned by the Fund or its subsidiaries and endeavours to obtain coverage where warranted against earthquakes and floods. However, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. Should such a disaster occur with respect to any of the Properties, the Fund could suffer a loss of capital invested and not realize any profits which might be anticipated from the disposition of such Properties.

(p) **Risk related to insurance renewals:** Certain events could make it more difficult and expensive to obtain property and casualty insurance, including coverage for catastrophic risks. When the Fund’s or its subsidiaries’ current insurance policies expire, the Fund or its subsidiaries may encounter difficulty in obtaining or renewing property, cyber, trustees and officers insurance or casualty insurance on its Properties at the same levels of coverage and under similar terms. Even if the Fund is able to renew its policies at levels and with limitations consistent with its current policies, the Fund cannot be sure that it will be able to obtain such insurance at premiums that are reasonable. If the Fund or its subsidiaries are unable to obtain adequate insurance on the Properties for certain risks, it could cause the Fund or its subsidiaries to be in default under specific covenants on certain of their respective indebtedness or other contractual commitments that they have which require the Fund or its subsidiaries to maintain adequate insurance on its Properties to protect against the risk of loss. If this were to occur, or if the Fund or its subsidiaries were unable to obtain adequate insurance, and the properties experienced damages that would otherwise have been covered by insurance, it could have a material adverse effect on the Fund’s business, cash flows, financial condition and results of operations.

(q) **Reliance on third party property management:** The Manager may rely upon independent management companies to perform property management functions and capital improvements in respect of each of the Properties. To the extent the Manager relies upon such management companies, the employees of such management companies will devote as much of their time to the management of the Properties as in their judgment is reasonably required and may have conflicts of interest in allocating management’s time, services and functions among the Properties and their other development, investment and/or management activities.

(r) **Competition for real property investments or residents:** The Manager competes for suitable real property investments with individuals, corporations, real estate investment trusts and similar vehicles and institutions (both Canadian and foreign) which are presently seeking or which may seek in the future real property investments or residents similar to those sought by the Manager. Such competition could have an impact on the Fund’s ability to lease multi-family suites in the Properties and on the rents charged. An increased availability of investment funds allocated for investment in real estate would tend to increase competition for real property investments and increase purchase prices, reducing the yield on such investments. There is a risk that continuing increased competition for real property acquisitions may increase purchase prices to levels that are not accretive.

(s) **Holding entity structure:** As a holding entity, the Fund’s ability to meet its obligations, including payment of interest, other operating expenses and distributions, and to complete current or desirable future enhancement opportunities or acquisitions generally depends on the receipt by the Fund of dividends, distributions and/or interest payments from its subsidiaries as the principal source of cash flow to pay such expenses and to pay distributions on the Units. As a result, the Fund’s cash flows and ability to pay distributions, including on the Units, are dependent upon the earnings of its subsidiaries and the distribution of those earnings and other funds by its subsidiaries to it. The payment of interest, dividends and/or distributions by certain of the Fund’s subsidiaries may be subject to restrictions set out in relevant tax or corporate laws and regulations, constating documents or other governing provisions, which may require that certain subsidiaries remain solvent following payment of any such interest, dividends and/or distributions. Substantially all of the Fund’s business is currently conducted through its subsidiaries, and the Fund expects this to continue.

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(t) **Revenue shortfalls:** Revenues from the Properties may not increase sufficiently, or in some instances may decline, to meet increases in operating expenses or debt service payments under any mortgage loans or to fund changes in the variable rates of interest charged in respect of such loans. The Fund's variable rate debt was \$33,831 as at December 31, 2025.

(u) **Fluctuations in capitalization rates:** The fair market valuation process for the Properties is dependent on several inputs, including the current market capitalization rates. As interest rates fluctuate in the lending market, generally capitalization rates will as well, which affects the underlying value of real estate. As such, when interest rates rise, generally capitalization rates may rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the increase or decrease of these capitalization rates.

(v) **Reliance on the Manager:** Prospective investors assessing the risks and rewards of this investment will, in large part, be relying on the expertise of the Manager, its principal, Daniel Drimmer, and certain of its executives. In particular, prospective investors will have to rely on the discretion and ability of the Manager in determining the composition of the portfolio of properties, and in negotiating the pricing and other terms of the agreements leading to the acquisition and disposition of Properties. The ability of the Manager to successfully implement the Fund's investment strategy will depend in large part on the continued employment of Daniel Drimmer, Glen Hirsh, Martin Liddell and/or Miriam Levin. If the Manager loses the services of Daniel Drimmer, Glen Hirsh, Martin Liddell and/or Miriam Levin, the business, financial condition and results of operations of the Fund may be materially adversely affected.

(w) **Distributions may be reduced or suspended:** Although the Fund intends to distribute its available cash to Unitholders, such cash distributions may be reduced, paused or suspended. The ability of the Fund to pay Unitholders a targeted annual pre-tax distribution yield of 2.0% to 3.0% on gross subscription proceeds across all Unit classes and non-controlling interests and the actual amount distributed or paid to Unitholders on termination of the Fund will vary as between the classes of Units and non-controlling interests based on the proportionate entitlements of each class (or series, as applicable) of Unit, applicable Unit class expenses and other adjustments. The 8.0% Minimum Return is a preferred return, but is not guaranteed and may not be paid on a current basis in each year or at all. As a result, the cash distributions payable to Unitholders may not be paid on a current basis in each year or at all. The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a Unitholder's original investment, are not guaranteed and their recovery by an investor is at risk and the anticipated return on investment is based upon many performance assumptions. It is important for purchasers to consider the particular risk factors that may affect the real estate investment markets generally and therefore the availability and stability of the distributions to Unitholders.

(x) **Payment of the Minimum Return and the carried interest and catch-up:** The amounts calculated as being distributable to Unitholders for purposes of determining the carried interest are not the same as the amounts that will be distributed to Unitholders pursuant to the Declaration of Trust. It is possible that the persons entitled to the carried interest will receive amounts even if one or more classes of Units have not received the Minimum Return (see "Carried Interest").

(y) **Cyber-security:** A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the Fund's information resources. More specifically, a cyber-incident is an intentional attack or an unintentional event that can include gaining unauthorized access to information systems to disrupt operations, corrupt data or steal confidential information. The Fund's primary risks that could directly result from the occurrence of a cyber-incident include operational interruption, damage to its reputation and damage to the Fund's business relationships with its residents. The Fund has implemented processes, procedures and controls to help mitigate these risks, including installing firewalls and antivirus programs on its networks, servers and computers, but these measures, as well as its increased awareness of a risk of a cyber-incident, do not guarantee that its financial results will not be negatively impacted by such an incident.

As cyber threats evolve and become more difficult to detect and successfully defend against, one or more cyber threats might defeat the Fund's security measures. Moreover, employee error or malfeasance, faulty password management or other irregularities may result in a breach of the Fund's security measures, which could result in a breach of confidential information. If the Fund does not allocate and effectively manage the resources necessary to build and sustain a reliable information technology infrastructure, fails to timely identify or appropriately respond to cybersecurity incidents, or the Fund's information systems are damaged, destroyed, shut down, interrupted or cease to function properly, the Fund's business could be disrupted and the Fund could, among other things, be subject to: the loss of or failure to attract new tenants; the loss of revenue; the loss or unauthorized access to

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confidential information or other assets; the loss of or damage to trade secrets; damage to its reputation; litigation; regulatory enforcement actions; violation of privacy, security or other laws and regulations; and remediation costs. The Fund has secured cyber insurance coverage, however, there can be no guarantee that such coverage will respond or be sufficient to all threats incurred by the Fund. A cyber-security incident may result in increased premiums and deductibles for cyber liability coverage.

(z) **Data governance and decision support:** The Fund depends on relevant and reliable information to operate its business. As the volume of data being generated and reported continues to increase across the Fund, data accuracy, quality and governance are required for effective decision making. Failure by the Fund to leverage data in a timely manner may adversely affect its ability to execute its strategy and therefore its financial performance.

(aa) **Fixed costs and increased expenses:** The failure to maintain stable or increasing average rental rates combined with acceptable occupancy levels would likely have a material adverse effect on the Fund's business, cash flows, financial condition and results of operations and ability to make distributions to Unitholders. Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If the Fund is unable to meet mortgage payments on any Property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale. The Fund is also subject to utility and property tax risk relating to increased costs that the Fund may experience as a result of higher resource prices as well as its exposure to significant increases in property taxes. There is a risk that property taxes may be raised as a result of re-valuations of the Properties and their adherent tax rates. In some instances, enhancements to the properties may result in significant increases in property assessments following a re-valuation. Additionally, utility expenses, mainly consisting of natural gas and electricity service charges, have been subject to considerable price fluctuations over the past several years. Any significant increase in these resource costs that the Fund cannot charge back to the resident may have a material adverse effect on the Fund's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units. Distributions may be reduced, or even eliminated, at times when the Fund deems it necessary to make significant capital or other expenditures.

(ab) **Trust Unitholder liability:** Recourse for any liability of the Fund is intended to be limited to the assets of the Fund. The Declaration of Trust provides that no Unitholder or annuitant under a plan of which a Unitholder acts as trustee or carrier will be held to have any personal liability as such, and that no resort shall be had to the private property of any Unitholder or annuitant for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Fund or its Board.

The Board intend to cause the Fund's operations to be conducted in such a way as to minimize any such risk, including by obtaining appropriate insurance and, where feasible, attempting to have material written contract or commitment of the Fund contain an express disavowal of liability against the Unitholders.

In conducting its affairs, the Fund owns and will be acquiring real property investments, subject to existing contractual obligations, including obligations under mortgages and leases. The Board will use all reasonable efforts to have any such obligations under mortgages on the Properties and other acquired properties, and material contracts, other than leases, modified so as not to have such obligations binding upon any of the Unitholders or annuitants personally. However, the Fund may not be able to obtain such modification in all cases. To the extent that claims are not satisfied by the Fund, there is a risk that a Unitholder or annuitant will be held personally liable for obligations of the Fund where the liability is not disavowed as described above.

(ac) **Reliance on assumptions:** The Fund's investment objectives and strategy have been formulated based on the Manager's analysis and expectations regarding recent economic developments in Primary Markets and the future status of the western Canadian multi-family real estate markets generally. Such analysis may be incorrect and such expectations may not be realized, in which case Unitholders can expect the annualized pre-tax distribution yield per Unit to be less than 2.0% to 3.0% across all Unit classes and the pre-tax investor internal rate of return to be less than 12.0% across all Unit classes.

(ad) **Timing for investment of net subscription proceeds:** Although the Manager targeted deployment of the unallocated proceeds from the Offering within nine months following the closing of the Offering, the Fund invested in eight multi-family properties during 2022 and fully deployed proceeds from the Offering by acquiring a ninth multi-family property on November 14, 2023. In addition, on December 17, 2025, the Fund completed the acquisition of

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SW1. The timing of such investments depends, among other things, upon the identification of properties meeting the Fund's criteria for acquisition.

(ae) **Acquisition of future properties from related parties:** The Fund does not have any arrangements with the Manager or its affiliates (e.g., a strategic alliance agreement or right of first opportunity) that would govern any acquisitions. Accordingly, there is no assurance that any acquisition opportunities will be presented to the Fund by the Manager or its affiliates or that such opportunities presented will be opportunities the Fund is able to secure or do so on terms favourable to the Fund.

In addition, if the Fund or SW1 acquires properties from a person that does not deal at arm's length with the Fund or the SW1 for purposes of the Tax Act, the Fund's ability to claim capital cost allowance in respect of such properties may be subject to limitations in the Tax Act that would not apply to an acquisition from an arm's length party.

(af) **Potential conflict of interest:** The Fund may be subject to various conflicts of interest because certain affiliates, and their respective trustees, officers and associates, as well as the Board, the executive officers and the Manager, are engaged in a wide range of real estate and other business activities.

The Board may, from time to time, in their individual capacities, deal with parties with whom the Fund may be dealing. The interests of these persons could conflict with those of the Fund. The Declaration of Trust contains conflict of interest provisions requiring the Board to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. There can be no assurance that the provisions of the Declaration of Trust will adequately address potential conflicts of interest or that such actual or potential conflicts of interest will be resolved in favour of the Fund.

The Manager, its affiliates, and their respective trustees, officers and associates may, from time to time, deal with the Fund or with parties with whom the Fund may be dealing. The Management Agreement contains conflict of interest provisions requiring the Manager to deal in good faith and in a fair, equitable and even-handed manner in respect of any conflict of interest that may exist between the interests of the Fund and the interests of the Manager or any of its affiliates, including the Manager and its affiliates. There can be no assurance that the provisions of the Management Agreement will adequately address potential conflicts of interest or that such actual or potential conflicts of interest will be resolved in favour of the Fund.

(ag) **Same management group for various entities:** The services of the Manager as manager of the Fund are not exclusive to the Fund. The Manager or any of its affiliates and associates may, at any time, engage in the promotion, management or administration of other investment portfolios and realty trusts in similar asset classes to those in which the Fund invests. Accordingly, the Manager may face conflicts of interest in the day-to-day operations, selection of real estate investments, and allocation of investment opportunities. In such circumstances, there is a risk that conflicts may arise regarding the allocation of properties among the various entities managed by the Manager and in connection with the exit from those properties. While the Manager owes fiduciary, legal and financial duties to the Fund and its Unitholders, these duties may from time to time conflict with the duties owed to the Manager's other real estate joint ventures and funds.

(ah) **Degree of leverage:** The Fund's degree of leverage could have important consequences to Unitholders. For example, the degree of leverage could affect the Fund's ability to obtain additional financing in the future for working capital, acquisitions or other general purposes, making the Fund more vulnerable to a downturn in business or the economy in general. Under the Declaration of Trust, total indebtedness of the Fund can be no more than 75% provided that, if approved by the Board, the appraised value of the properties may be used.

(ai) **Litigation at the property level:** The acquisition, ownership and disposition of real property carries certain specific litigation risks. Litigation may be commenced with respect to a property acquired by the Fund or its subsidiaries in relation to activities that took place prior to the Fund's acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or damages for misrepresentation relating to disclosures made, if such buyer is passed over in favour of another as part of the Fund's efforts to maximize sale proceeds. Similarly, successful buyers may later sue the Fund under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence.

(aj) **General litigation risks:** In the normal course of the Fund's operations, whether directly or indirectly, it may become involved in, named as a part to or the subject of, various legal proceedings, including regulatory

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proceedings, tax proceedings and legal actions relation to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Fund and as a result, could have a material adverse effect of the Fund's assets, liabilities, business, financial condition and results of operations. Even if the Fund prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Fund's business operations, which could have a material adverse effect on the Fund's business, cash flows, financial condition and results of operations and ability to make distributions to Unitholders.

(ak) **Asset class diversification:** The Fund will make a relatively limited number of real estate investments and the Fund's investments will not be widely diversified by asset class. All of the Fund's investments will be in multi-family residential real estate properties. A lack of asset class diversification increases risk because multi-family residential real estate is subject to its own set of risks, such as adverse housing pattern changes and uses, increased real estate taxes, vacancies, rent controls, rising operating costs and changes in financing rates.

(al) **Geographic concentration of the Fund's portfolio:** The Properties are geographically concentrated in the Primary Markets, and the Fund's portfolio as a whole will be concentrated in the Primary Markets only. As such, the Fund is susceptible to local economic conditions, other regulations, the supply of and demand for multi-family residential real estate properties, and natural disasters in these areas. If there is a downturn in the local economies, an oversupply of or decrease in demand for multi-family real estate properties in these markets or natural disasters in these geographical areas, the Fund's business could be materially adversely affected to a greater extent than if it owned a more geographically diversified real estate portfolio. An important part of the Fund's business plan is based on the belief that property values for multi-family residential real estate properties in the markets in which it operates will continue to improve over the next several years. However, the markets in which the Fund operates could experience economic downturns in the future. There can be no assurance as to the extent property values in these markets will improve, if at all. If these markets experience economic downturn in the future, the value of the Properties could decline and its ability to execute its business plan may be adversely affected, which could adversely affect the Fund's financial condition and operating results.

(am) **Unitholders' legal rights:** The Units represent a fractional interest in the Fund. Corporate law does not govern the Fund and the rights of Unitholders. Unitholders will not have all of the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative actions". The rights of Unitholders are specifically set forth in the Declaration of Trust. The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation.

#### Risk factors relating to redemptions

(an) **Use of available cash:** The payment in cash by the Fund of the redemption price of Units will reduce the amount of cash available to the Fund for the payment of distributions to Unitholders, as the payment of the amount due in respect of redemptions will take priority over the payment of cash distributions.

(ao) **Payment of redemption price in kind:** In the event that the total amount payable by the Fund in respect of the redemption of Units for a particular calendar quarter exceeds \$100,000 and/or the total amount payable by the Fund in respect of the redemption of Units in any 12-month period ending at the end of that calendar quarter exceeds 1% of the aggregate NAV of the Fund at the start of such 12-month period, the redemption price of Units may be paid and satisfied by way of an *in specie* distribution of property of the Fund, and/or unsecured subordinated notes of the Fund, as determined by the trustees in their discretion, to the redeeming Unitholder. Such property is not expected to be liquid and may not be a qualified investment for trusts governed by registered plans. Adverse tax consequences generally may apply to a Unitholder, or registered plan and/or the annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of Units held in a trust governed by a registered plan. Accordingly, investors that propose to invest in Units through registered plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units.

#### Risk factors relating to Canadian income taxes

(ap) **Changes in tax laws:** There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, or the administrative policies and assessing practices of the Canada Revenue Agency ("CRA") will not be changed in a manner that adversely affects the Fund or Unitholders, including with respect to the Fund's qualification as a "mutual fund trust" and requirements to not be a "SIFT trust". Any such change could

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increase the amount of tax payable by the Fund or its affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of distributions.

(aq) **Mutual fund trust status:** The Fund intends to comply with the requirements under the Tax Act such that it will qualify at all times as a “mutual fund trust” for purposes of the Tax Act, however no assurances can be given in this regard. Under current law, a trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of non-residents, except in limited circumstances. There is no way of rectifying such a loss of mutual fund trust status such that if, at any time, the Fund were to lose mutual fund trust status in this manner, the Fund would permanently cease to be a mutual fund trust. The Fund may also cease to qualify as a “mutual fund trust” for purposes of the Tax Act if a sufficient number of Unitholders were to redeem their Units.

(ar) **Restrictions on non-resident ownership:** In order to comply with the limitations on ownership by non-residents, the Declaration of Trust includes restrictions on the ownership of Units intended to limit the number of Units held by non-residents, such that non-residents of Canada for purposes of the Tax Act, partnerships that are not “Canadian partnerships” (as defined in the Tax Act) or any combination of the foregoing may not own Units representing more than 49% of the fair market value of all Units. The restrictions on the issuance of Units by the Fund to non-residents may negatively affect the Fund’s ability to raise financing for future acquisitions or operations.

(as) **SIFT rules:** Although, as of the date hereof, management expects that the SIFT will not be a SIFT trust and the SW1 will not be a SIFT partnership because the Units are not and will not be listed or traded on a stock exchange or other public market (within the meaning of the SIFT rules) at all relevant times, there can be no assurance that the Fund will be able to meet the requirements in order for the Fund and Unitholders not to be subject to the tax imposed by the SIFT rules in 2022 or future years. In the event that the SIFT rules were to apply to the Fund, the impact to a Unitholder would depend, among other factors, on the particular circumstances of the holder, on the amount of the “non-portfolio earnings” (as defined in the Tax Act) of the Fund and on the amount of income distributed which would not be deductible by the Fund in computing its income in a particular year and what portions of the Fund’s distributions constitute “non-portfolio earnings” (as defined in the Tax Act), other income and returns of capital. If the SIFT rules were to apply to the Fund or the SW1, the SIFT rules may have an adverse impact on the Fund and the Unitholders, on the value of the Units, and on the ability of the Fund to undertake financings and acquisitions; and the distributable cash of the Fund may be materially reduced.

(at) **Taxable income exceeding cash distribution:** Whether or not a Fund pays cash distributions in a particular year, it is expected that the Fund will make sufficient distributions (in the form of additional Units if cash distributions are not paid) to ensure that the Fund is not subject to non-refundable tax under Part I of the Tax Act for the year. Accordingly, Unitholders may be subject to tax under the Tax Act on their share of the Fund’s income regardless of whether cash distributions are paid.

(au) **Non-resident Unitholders:** The Tax Act may impose additional withholding or other taxes on distributions made by the Fund to Unitholders who are non-residents. Such taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time. In addition, this MD&A does not describe the tax consequences under the Tax Act to non-residents of acquiring, holding or disposing of Units, which may be materially and adversely different than the consequences to Canadian resident Unitholders. Prospective purchasers who are non-residents should consult their own tax advisors.

(av) **Loss restriction event:** Pursuant to rules in the Tax Act, if the Fund experiences a “loss restriction event” (i) it will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of undistributed net income and net realized capital gains, if any, at such time to Unitholders to the extent necessary so that the Fund is not liable for non-refundable tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the Fund will be subject to a loss restriction event if a person becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Fund, each as defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a trust is a beneficiary of the trust whose beneficial interests in the income or capital of the trust, as the case may be, together with the beneficial interests in the income or capital of the trust, as the case may be, of persons and partnerships with whom such beneficiary is affiliated for the purposes of the Tax Act,

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represent greater than 50% of the fair market value of all the interests in the income or capital of the trust, as the case may be.

(aw) **Gains and losses on capital account:** The tax treatment of gains and losses realized by the Fund will depend on whether such gains or losses are treated as being on income or capital account, as described in this paragraph. The Fund generally will treat gains (or losses) on the disposition of its properties as capital gains (or capital losses). Designations with respect to the Fund's income and capital gains will be made and reported to Unitholders on the foregoing basis. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If any transactions of the Fund are determined not to be on capital account, the net income of the Fund for tax purposes and the taxable component of distributions to its Unitholders could increase. Any such determination by the CRA may result in the Fund being liable for unremitted withholding taxes on prior distributions made to its Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV and NAV per Unit of the Fund.

**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 judgments 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.

**AUDIT COMMITTEE****AUDIT COMMITTEE CHARTER**

The Board has adopted a written charter for the audit committee which sets out the audit committee's responsibility in reviewing the financial statements of the Fund and public disclosure documents containing financial information and reporting on such review to the Board, review of the Fund's public disclosure documents that contain financial information, oversight of the work and review of the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management. A copy of the audit committee charter is attached to this MD&A as "Schedule A".

**COMPOSITION OF THE AUDIT COMMITTEE**

The audit committee of the Board comprises Denim Smith (Chair), Lawrence D. Wilder and Tracy Sherren with the former two individuals being "independent" and all members "financially literate" within the meanings of sections 1.4 and 1.6 of *National Instrument 52-110-Audit Committees* ("NI 52-110"), respectively. Denim Smith and Lawrence D. Wilder, being a majority of the audit committee of the Board, are also "independent" within the meaning of section 1.5 of NI 52-110.

**DENIM SMITH**

Mr. Smith was most recently Managing Director, Real Estate Investment Banking at Ventum Capital Markets and is currently a trustee of Starlight Private Global Real Assets Trust. Prior to that, Mr. Smith was the Managing Director of Real Estate Investment Banking at Laurentian Bank Securities from 2019 to 2021. From 2014 to 2016 Mr. Smith was the interim Chief Financial Officer and Chief Investment Officer at The Nationwide Group of Companies, responsible for the overall accounting, finance, and HR departments for an international conglomerate with over 120 employees across five operating companies in over 18 countries, as well as strategic investments, mergers and acquisitions, and business development. He also led the real estate investment banking practice at Blackmont Capital which completed over \$300 million of capital markets transactions and over \$3 billion of advisory and valuation mandates. Prior to that, Mr. Smith was a founding member of KeyBanc Capital Markets Real Estate Group in Boston which was responsible for over US\$3.5 billion of capital markets transactions and

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US\$600 million of successful sell-side advisory mandates; after starting his career at RBC Capital Markets in Canada and joining the inaugural US Real Estate Group. Mr. Smith was also a trustee on the board of TSX-listed True North Apartment REIT from its formation to its merger with Northern Properties REIT to become Canada's third largest apartment REIT with greater than \$1B market cap; he also served as a Trustee for TSXV-listed GT Canada Medical Properties REIT which was acquired by Northwest Healthcare REIT. Mr. Smith is a graduate of the University of Western Ontario and has completed the CFA Level 2.

**LAWRENCE D. WILDER**

Mr. Wilder is a partner at Miller Thomson LLP and serves as Leader of the Firm's national Securities and Capital Markets Group. Mr. Wilder has practiced corporate and securities law for over 30 years and has advised Canadian public issuers and their boards on a variety of corporate governance and securities law compliance matters. His specialties include corporate finance, mergers and acquisitions and private equity. Mr. Wilder is nationally recognized by Chambers Canada, Best Lawyers, Lexpert and Martindale-Hubbell. He holds an LLB from Osgoode Hall Law School. Mr. Wilder is the lead trustee of TSX-listed Northview Fund (TSX: NHF.UN).

**TRACY SHERREN**

Ms. Sherren is currently a Corporate Director. Ms. Sherren retired as the President and Chief Financial Officer of TSX listed True North Commercial Real Estate Investment Trust and the President, Canadian Commercial of Starlight Group Property Holdings Inc. in 2023. Ms. Sherren is currently a trustee of True North Commercial REIT and Northview Residential REIT, and a director of Clearsky Land Lease Communities Fund 1. She is also a former director of TSX-listed VM Hotel Acquisition Corp. and TSX-listed Tricon Capital Group Inc. Mr. Sherren was the Chief Financial Officer of Pacrim Hospitality Services Inc. from January 2005 to September 2012 and the Chief Financial Officer of TSX-listed Holloway Lodging Corp. from its inception in 2005 until July 2011, where she was responsible for construction and long-term financing of commercial properties, operations management, financial reporting, investor relations and corporate tax planning. With over 25 years of experience, Ms. Sherren has participated in over \$2 billion financings and led asset management teams, acquisition due diligence, real estate development and has extensive experience in transaction structuring and risk management. Ms. Sherren is a CPA, CA and obtained her Bachelor of Business Administration from Acadia University.

**PRE-APPROVAL OF NON AUDIT SERVICES**

In accordance with the independence standards for auditors, the Fund is restricted from engaging its external auditors to provide certain non-audit services to the Fund, including bookkeeping or other services related to the accounting records or financial statements, financial information systems design and implementation, valuation services, actuarial services, internal audit services, corporate finance services, management functions, human resources functions, legal services and expert services unrelated to the audit.

The Fund may engage its external auditors from time to time, to provide certain non-audit services other than the restricted services. The audit committee reviews and approves the nature of and fees for any non-audit service performed by the Fund's external auditors in accordance with applicable requirements.

**EXTERNAL AUDITOR SERVICE FEES**

The following table sets forth the approximate amounts of fees paid and accrued to the Fund's auditor, BDO Canada LLP, for services rendered during the period presented:

| Fee category |    | YTD-2025 | YTD-2024 |
|--------------|----|----------|----------|
| Audit fees   | \$ | 159      | \$ 118   |

**REMUNERATION OF MANAGEMENT OF THE FUND****OVERVIEW**

As at the date hereof, the Fund does not directly employ any persons who would be considered a named executive officer ("NEO") of the Fund as such term is defined in Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* in National Instrument 51-102 - *Continuous Disclosure Obligations*. The services of Messrs. Daniel Drimmer and Martin Liddell, as Founder and Chief Executive Officer and Chief Financial Officer, respectively, are provided by the Manager. No compensation is paid by the Fund or its subsidiaries to those persons provided by the Manager as officers of the Fund, and the compensation received by such persons from the Manager is not within or subject to the discretion of the Board. The compensation paid by the Fund or its subsidiaries to the Manager for services rendered is calculated in accordance with the Management Agreement. See "Related Party Transactions and Arrangements – Arrangements with the Manager". The Manager provides such administrative, executive and management personnel as may be reasonably necessary to perform its

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obligations by using its own employees and consultants and is therefore responsible for all matters with respect to such employees and consultants. All references to the officers of the Fund named in the “Table of Compensation Excluding Compensation Securities” below, namely Messrs. Daniel Drimmer and Martin Liddell are references to officers of, or consultants to, the Fund, as appointed by the Board, and are either officers or employees of, or consultants to, the Manager.

**COMPENSATION DISCUSSION AND ANALYSIS**

The Fund’s NEOs are employed by the Manager. The Fund is obligated to pay the Manager certain amounts pursuant to terms of the Management Agreement, as discussed in “Related Party Transactions and Arrangements – Arrangements with the Manager”. As such, any variability in compensation paid by the Manager to the NEOs does not impact the Fund’s financial obligations. The Board may hire officers and employees, but such hiring, if not of the Manager officers, consultants or employees, would be at the sole expense of the Fund. Further, any officer that is an officer, consultant or employee provided by the Manager may be removed from such position with the Fund, at the discretion of the Board. The Fund is not responsible for any change of control, severance, termination or constructive dismissal payments that may be provided, or required to be provided, by the Manager to the NEOs.

The following discussion is intended to describe the portion of the compensation of the NEOs that is attributable to time spent on the activities of the Fund, and supplements the more detailed information concerning compensation that appears in the table below and the accompanying narrative that follows.

**PRINCIPAL ELEMENTS OF COMPENSATION**

As a private company, the Manager’s process for determining executive compensation is straightforward, with no specific formula for determining the amount of each element of compensation, and no formal approach applied by the Manager for determining how one element of compensation fits into the overall compensation objectives in respect of the activities of the Fund. Objectives and performance measures may vary from year to year as determined to be appropriate by the Manager without reference to any formal benchmarking.

The compensation of the NEOs includes two major elements: (i) base salary; and (ii) an annual cash bonus. The Fund does not have any long-term equity incentive plans, such as a Unit option plan, pursuant to which cash or non-cash compensation has been or will be paid or distributed to any NEO or trustee. In addition, the Fund does not have any stock appreciation rights, incentive plans, medium term incentives or pension plans. Perquisites and personal benefits are not a significant element of compensation of the NEOs. These two principal elements of compensation are described below:

- (a) **Base salaries:** Base salaries are intended to provide an appropriate level of fixed compensation that assists in retention and recruitment. Base salaries are determined on an individual basis, taking into consideration the past, current and potential contribution to the success of the Fund, the position and responsibilities of the NEOs and competitive industry pay practices for other real estate funds, real estate investment trusts and corporations of comparable size. The Manager does not benchmark compensation to a specific peer group. Increases in base salary are at the sole discretion of the Manager. The Board may review the compensation payable to its officers by the Manager and provide recommendations to the Manager, which are considered in good faith by the Manager, but are not binding upon the Manager.
- (b) **Annual cash bonuses:** Annual cash bonuses are discretionary and are not awarded pursuant to a formal incentive plan. Annual cash bonuses are awarded based on qualitative and quantitative performance standards, and reward performance of the Fund or the NEO individually. The determination of the performance of the Fund may vary from year to year depending on economic conditions and conditions in the real estate industry and may be based on measures such as Unit price performance, the meeting of financial targets against budget, the meeting of acquisition objectives and statement of financial position performance. Individual performance factors vary and may include completion of specific projects or transactions and the execution of day-to-day management responsibilities. The Board may review the bonuses payable to its officers by the Manager, and provide recommendations to the Manager, which are considered in good faith by the Manager but are not binding upon the Manager.

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The following table sets out compensation information concerning the persons determined to be NEOs of the Fund pursuant to applicable securities laws:

| Name and position  | Year | Salary, consulting fee, retainer or commission <sup>(1)</sup> (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites <sup>(2)</sup> (\$) | Value of all other compensation (\$) | Total compensation (\$) |
|--|------|--|------------|--------------------------------|--|--------------------------------------|-------------------------|
| Daniel Drimmer <sup>(3)</sup> ,<br>Founder and Chief Executive Officer | 2025 | Nil  | Nil        | Nil                            | Nil                                      | Nil                                  | Nil                     |
|  | 2024 | Nil  | Nil        | Nil                            | Nil                                      | Nil                                  | Nil                     |
| Martin Liddell <sup>(4)</sup> ,<br>Chief Financial Officer             | 2025 | 15.0   | Nil        | Nil                            | Nil                                      | Nil                                  | 15.0                    |
|  | 2024 | 15.0   | Nil        | Nil                            | Nil                                      | Nil                                  | 15.0                    |
| Denim Smith <sup>(5)</sup> ,<br>Independent Trustee                    | 2025 | 12.5   | Nil        | Nil                            | Nil                                      | Nil                                  | 12.5                    |
|  | 2024 | 12.5   | Nil        | Nil                            | Nil                                      | Nil                                  | 12.5                    |
| Lawrence D. Wilder <sup>(5)</sup> ,<br>Independent Trustee             | 2025 | 12.5   | Nil        | Nil                            | Nil                                      | Nil                                  | 12.5                    |
|  | 2024 | 12.5   | Nil        | Nil                            | Nil                                      | Nil                                  | 12.5                    |
| Tracy Sherren <sup>(5)</sup> ,<br>Independent Trustee                  | 2025 | 12.5   | Nil        | Nil                            | Nil                                      | Nil                                  | 12.5                    |
|  | 2024 | 12.5   | Nil        | Nil                            | Nil                                      | Nil                                  | 12.5                    |

<sup>(1)</sup> On an annualized basis, salaries, consulting fees, retainers or commissions expected to be paid to the NEOs and trustees for the year ended December 31, 2025 are as follows: Daniel Drimmer, \$nil; Martin Liddell, \$15,000; Tracy Sherren, \$12,500; Denim Smith, \$12,500; and Lawrence D. Wilder, \$12,500.

<sup>(2)</sup> None of the NEOs or the trustees are entitled to perquisites, which, in the aggregate, are more than \$15,000.

<sup>(3)</sup> Mr. Drimmer receives no compensation from the Manager.

<sup>(4)</sup> Martin Liddell is the Chief Financial Officer of the Fund, as appointed by the Board. Mr. Liddell receives compensation from the Manager for services provided to the Fund.

<sup>(5)</sup> Trustee compensation is determined by the Board. The Fund pays its non-executive Trustees annual compensation in the amount of \$12,500 per annum which amount was set on establishment of the Fund, is reviewed annually by the Board and is expected to be unchanged for the duration of the Fund.

**REMUNERATION OF THE TRUSTEES OF THE FUND****REMUNERATION OF TRUSTEES**

Each independent trustee receives an annualized base retainer from the Fund in the amount for \$12,500 for services provided. There were no fees paid or payable for each day on which a trustee attended a meeting of the Board, whether in person or by telephone. The independent trustees received a total of \$100,000 as one-time fees for their services provided to the Fund in relation to the acquisition of SW1.

**SUBSEQUENT EVENTS**

Subsequent to December 31, 2025, 6,405 Class A Units and 699 Class B Units were redeemed in accordance with the Declaration of Trust at 95% of NAV, amounting to a total of \$76.

Additional information relating to the Fund can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Dated: March 6, 2026

Toronto, Ontario, Canada

**STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND - Q4 2025 MD&A**Notes to readers | Future outlook | Our business | Highlights | Financial performance | Other disclosures | **Schedule A****SCHEDULE A - AUDIT COMMITTEE CHARTER****1. PURPOSE**

- 1.1 The Board shall appoint an audit committee (the "Committee") to assist the Board in fulfilling its responsibilities. The overall purpose of the Committee of the Fund is to monitor the Fund's system of internal financial controls, to evaluate and report on the integrity of the consolidated financial statements of the Fund, to enhance the independence of the Fund's external auditors and to oversee the financial reporting process of the Fund.

**2. PRIMARY DUTIES AND RESPONSIBILITIES**

- 2.1 The Committee's primary duties and responsibilities are to:
  - (a) serve as an objective party to monitor the Fund's financial reporting and internal control system and review the Fund's consolidated financial statements;
  - (b) review the performance of the Fund's external auditors; and
  - (c) provide an open avenue of communication among the Fund's external auditors, the Board and senior management of Starlight Investments CDN AM Group LP, in its capacity as Manager of the Fund.

**3. COMPOSITION, PROCEDURES AND ORGANIZATION**

- 3.1 The Committee shall comprise at least three trustees of the Fund as determined by the Board, two of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.
- 3.2 At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Fund's consolidated financial statements.
- 3.3 The Board shall appoint the members of the Committee. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a trustee of the Fund shall cease to be a member of the Committee.
- 3.4 Unless a chair is elected by the Board, the members of the Committee shall elect a chair from among their number (the "Chair"). The Chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings and reporting to the Board.
- 3.5 The Committee, through its Chair, shall have access to such officers and employees of the Fund and the Manager and to the Fund's external auditors and its legal counsel, and to such information respecting the Fund as it considers to be necessary or advisable in order to perform its duties.
- 3.6 Notice of every meeting shall be given to the external auditors, who shall, at the expense of the Fund, be entitled to attend and to be heard thereat.
- 3.7 Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet four times annually, or more frequently as circumstances dictate, at such times and at such locations as the Chair shall determine;
  - (b) the external auditors or any member of the Committee may call a meeting of the Committee;
  - (c) any trustee of the Fund may request the Chair to call a meeting of the Committee and may attend such meeting to inform the Committee of a specific matter of concern to such trustee, and may participate in such meeting to the extent permitted by the Chair; and
  - (d) the external auditors and the Manager shall, when required by the Committee, attend any meeting of the Committee.
- 3.8 The external auditors shall be entitled to communicate directly with the Chair and may meet separately with the Committee. The Committee, through the Chair, may contact directly any employee in the Manager as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.

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- 3.9 Compensation to members of the Committee shall be limited to trustees' fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the Fund.
- 3.10 The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Fund. The Committee has the power to engage and determine funding for outside and independent counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties and to set Committee members compensation. The Committee is further granted the authority to communicate directly with internal and external auditors.

**4. DUTIES**

- 4.1 The overall duties of the Committee shall be to:
- (a) assist the Board in the discharge of their duties relating to the Fund's accounting policies and practices, reporting practices and internal controls and the Fund's compliance with legal and regulatory requirements;
  - (b) establish and maintain a direct line of communication with the Fund's external auditors and assess their performance and oversee the co-ordination of the activities of the external auditors; and
  - (c) be aware of the risks of the business and ensure the Manager has adequate processes in place to assess, monitor, manage and mitigate these risks as they arise.
- 4.2 The Committee shall be directly responsible for overseeing the work of the external auditor, who shall report directly to the Committee, engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Fund, including the resolution of disagreements between the Manager and the external auditors and the overall scope and plans for the audit, and in carrying out such oversight, the Committee's duties shall include:
- (a) recommending to the Board the selection and compensation and, where applicable, the replacement of the external auditor nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Fund;
  - (b) reviewing, where there is to be a change of external auditors, all issues related to the change, including the information to be included in the notice of change of auditor called for under *National Instrument 51-102-Continuous Disclosure Obligations* ("NI-51-102") or any successor legislation, and the planned steps for an orderly transition;
  - (c) reviewing all reportable events, including disagreements, unresolved issues and consultations, as defined in NI-51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor;
  - (d) reviewing and pre-approving all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Fund's external auditors to the Fund or any subsidiary entities;
  - (e) reviewing the engagement letters of the external auditors, both for audit and non-audit services;
  - (f) consulting with the external auditor, without the presence of the Manager about the quality of the Fund's accounting principles, internal controls and the completeness and accuracy of the Fund's consolidated financial statements;
  - (g) reviewing annually the performance of the external auditors, who shall be ultimately accountable to the Board and the Committee as representatives of the Unitholders of the Fund, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditors; and
  - (h) reviewing and approving the nature of and fees for any non-audit services performed for the Fund by the external auditors and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.
- 4.3 The duties of the Committee as they relate to document and reports reviews shall be to:
- (a) review the Fund's consolidated financial statements, MD&A and any financial press releases before the Fund publicly discloses this information including in respect of disclosure aligned with applicable frameworks, and recommendations to the Board in respect of the approval of such disclosure; and

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- (b) review and periodically assess the adequacy of procedures in place for the review of the Fund's public disclosure of financial information extracted or derived from the Fund's consolidated financial statements, other than the Fund's consolidated financial statements, MD&A and financial press releases.
- 4.4 The duties of the Committee as they relate to audits and financial reporting shall be to:
- (a) in consultation with the external auditor, review with the Manager the integrity of the Fund's financial reporting process, both internal and external, and approve, if appropriate, changes to the Fund's auditing and accounting practices;
  - (b) review the audit plan with the external auditor and the Manager;
  - (c) review with the external auditor and the Manager any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, and key estimates and judgments of the Manager that may in any such case be material to financial reporting;
  - (d) review the contents of the audit report;
  - (e) question the external auditor and the Manager regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
  - (f) review the scope and quality of the audit work performed;
  - (g) review the adequacy of the Fund's financial and auditing personnel;
  - (h) review the co-operation received by the external auditor from the Manager's and the Fund's personnel during the audit, any problems encountered by the external auditors and any restrictions on the external auditor's work;
  - (i) review the internal resources used;
  - (j) review the evaluation of internal controls by the internal auditor (or persons performing the internal audit function) and the external auditors, together with the Manager's response to the recommendations, including subsequent follow-up of any identified weaknesses;
  - (k) review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) of the Fund and any key financial executives involved in the financial reporting process;
  - (l) review and approve the Fund's annual audited consolidated financial statements and those of any subsidiaries in conjunction with the report of the external auditors thereon, and obtain an explanation from the Manager of all significant variances between comparative reporting periods before release to the public;
  - (m) establish procedures for (A) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and (B) the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters; and
  - (n) review the terms of reference for an internal auditor or internal audit function.
- 4.5 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:
- (a) review changes to accounting principles of the Chartered Professional Accountants of Canada which would have a significant impact on the Fund's financial reporting as reported to the Committee by the Manager and the external auditors;
  - (b) review the appropriateness of the accounting policies used in the preparation of the Fund's consolidated financial statements and consider recommendations for any material change to such policies;
  - (c) review the status of material contingent liabilities as reported to the Committee by the Manager or the external auditors;
  - (d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by the Manager;
  - (e) review any errors or omissions in the current or prior year's consolidated financial statements;
  - (f) review, and approve before their release, all public disclosure documents containing audited or unaudited financial information including all earnings, press releases, MD&As, prospectuses, annual reports to unitholders and annual information forms, as applicable; and

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(g) oversee and review all financial information and earnings guidance provided to analysts and rating agencies.

4.6 The other duties of the Committee shall include:

- (a) at least annually, review with management the adequacy and effectiveness of applicable controls related to the Fund's ESG disclosures;
- (b) reviewing any related-party transactions not in the ordinary course of business;
- (c) reviewing any inquires, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (d) formulating clear hiring policies for partners, employees or former partners and employees of the Fund's external auditors;
- (e) reviewing annual operating and capital budgets;
- (f) reviewing and reporting to the Board on difficulties and problems with regulatory agencies, which are likely to have a significant financial impact;
- (g) inquiring of the Manager and the external auditors as to any activities that may be or may appear to be illegal or unethical;
- (h) ensuring procedures are in place for the receipt, retention and treatment of complaints and employee concerns received regarding accounting or auditing matters and the confidential, anonymous submission by employees of the Fund of concerns regarding such; and
- (i) reviewing any other questions or matters referred to it by the Board.



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