



Montane Apartments - Denver, Colorado

**STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE PLUS FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025**

November 25, 2025

STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE PLUS FUND - Q3 2025 MD&A

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of the unaudited condensed consolidated interim financial statements of Starlight U.S. Multi-Family (No. 2) Core Plus Fund (the "Fund") dated November 25, 2025 for the three months ended September 30, 2025 ("Q3-2025") and for the nine months ended September 30, 2025 ("YTD-2025") should be read in conjunction with the Fund's unaudited condensed consolidated interim financial statements for the three months ended September 30, 2024 ("Q3-2024") and the nine months ended September 30, 2024 ("YTD-2024") and the Fund's audited consolidated financial statements for the year ended December 31, 2024, both of which have been prepared in accordance with IFRS Accounting Standards ("IFRS"). These documents are available on SEDAR+ at www.sedarplus.ca.

The Fund's presentation currency is United States ("U.S.") dollars. Unless otherwise stated, dollar amounts expressed in this MD&A are in thousands of U.S. dollars, except for per limited partnership unit of the Fund ("Unit") and average monthly rent ("AMR")¹. All references to "C\$" are to Canadian dollars. Non-IFRS measures are reported throughout this MD&A. For further information on non-IFRS measures, please refer to the "Non-IFRS Financial Measures" section.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking information within the meaning of Canadian securities laws and which reflect the Fund's current expectations regarding future events, the timing, amount, process and tax implications relating to the final distributions and the delisting of the Class A units and Class U Units of the Fund (the "Listed Units") from the TSX Venture Exchange ("TSXV"). 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 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 trading price of the Listed Units, changes in government legislation or tax laws which would impact any potential income taxes or other taxes rendered or payable with respect to the Fund's properties (the "Properties") or the Fund's legal entities, the timing and amount of any final distributions including the potential impact of any unforeseen costs of the final wind-up of the Fund. 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 and risks related to the Fund and its business. 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, general economic and market factors, including interest rates, inflation, business competition, the timing of any final distribution made by the Fund 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,

¹ 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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including the following; the trading price of the Listed Units; foreign currency exchange rates; and governmental regulations or tax laws. Given this period of uncertainty, there can be no assurance regarding: (a) operations and performance or the volatility of the Units; (b) the Fund's ability to mitigate such impacts; (c) credit, market, operational, and liquidity risks generally; (d) Starlight Investments US AM Group LP or its affiliates (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, economic occupancy, physical occupancy, estimated gap to market versus in-place rents ("Estimated Gap to Market Versus In-Place Rents")¹, 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 net operating income ("NOI")¹ are not measures defined under IFRS as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net income (loss) and comprehensive income (loss), 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, Estimated Gap to Market Versus In-Place Rents, FFO, Gross Book Value, Indebtedness, Indebtedness Coverage Ratio, Indebtedness to Gross Book Value, Interest Coverage Ratio and NOI, as computed by the Fund, may not be comparable to similar measures as reported by other issuers or companies in similar or different industries. The Fund uses these measures to better assess the Fund's underlying performance and provides these additional measures so that investors may do the same.

Adjusted Net Income and Comprehensive Income is defined as net income (loss) and comprehensive income (loss) in accordance with IFRS before deferred taxes and provisions for carried interest plus amortization of financing costs and loan premiums, fair value adjustments on derivative instruments, distributions to unitholders of the Fund ("Unitholders"), less finance income and adjusted for other non-cash items. Other non-cash items include unrealized foreign exchange gains and losses. Adjusted Net Income and Comprehensive Income is used in calculating certain ratios described below.

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; (iii) deduction of a reserve for normalized maintenance capital expenditures and suite make-ready costs, as determined by the Manager; (iv) vacancy costs associated with any suite upgrade program; and (v) any accrued interest costs or debt service shortfall funding provided by lenders that are deferred and payable upon maturity of the applicable loan payable. 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 possibility and 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 Real Property Association of Canada ("RPAC") definition, as the Fund adjusts for non-cash items to better measure the possibility and sustainability of future distributions. This MD&A does not include a presentation of adjusted cash flow from operations as defined by RPAC. The most comparable IFRS measures for AFFO are cash flow from operating activities and net income (loss) and comprehensive income (loss).

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

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

¹ 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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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 Fund 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.

Estimated Gap to Market Versus In-Place Rents is defined as the estimated market rent for each applicable property divided by the applicable AMR for each property.

FFO is defined as net income (loss) and comprehensive income (loss) in accordance with IFRS, excluding fair value adjustments on investment properties, fair value adjustments on derivative instruments, distributions to Unitholders of Units classified as financial liabilities, deferred income tax expense, realized or unrealized foreign exchange gains and losses, and provisions for carried interest. 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 RPAC. The most comparable IFRS measures to FFO are cash flow from operating activities and net income (loss) and comprehensive income (loss).

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

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 Fund considers this non-IFRS measure to be an important measure of the Fund's financial condition. The most comparable IFRS measure for Gross Book Value is investment properties.

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

Indebtedness Coverage Ratio is defined as Adjusted Net Income and Comprehensive Income plus interest expense divided by interest (excluding any accrued interest costs or debt service shortfall funding provided by lenders that are deferred and payable upon maturity of the applicable loan payable) 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 (excluding any accrued interest costs or debt service shortfall funding provided by lenders that are deferred and payable upon maturity of the applicable loan payable). Generally, a higher Interest Coverage Ratio indicates a lower credit risk. Interest Coverage Ratio is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the amount of cash flow available to meet annual interest payments and ultimately the ability of the Fund to make cash distributions to Unitholders.

NOI, or Adjusted Income from Operations is defined as all property revenue, less direct property costs such as utilities, property taxes (International Financial Reporting Interpretations Committee Interpretation 21, Levies ("IFRIC 21") adjustment included in each reporting period), repairs and maintenance, on-site salaries, insurance, bad debt expenses, property management fees, and other property-specific administrative costs. NOI Margin is defined as NOI divided by revenue from property operations. NOI and NOI Margin are presented in this MD&A as the Manager considers these non-IFRS measures to be important measures of the Fund's operating performance and uses these measures to assess the Fund's property operating performance on an unlevered basis. The most comparable measure to IFRS is net income (loss) and comprehensive income (loss).

Weighted Average Units Outstanding represent the class A equivalent Units outstanding, adjusted for conversion ratios applicable for each Unit class, as well as for the exchange rate achieved on the Fund's initial public offering (the "Offering").

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Reconciliations of net income (loss) and comprehensive income (loss) 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

On June 27, 2025, the Fund completed the disposition of Montane and fully repaid such loans secured by Montane. For Hudson, the Fund obtained a short-term extension of such loan to September 7, 2025 and completed the disposition of such property and fully repaid such loans secured by Hudson on August 12, 2025. For Summermill, certain of these extension conditions were not achieved as of the initial maturity date of May 7, 2025 with the original loan terms remaining in effect, until otherwise modified or a formal notice of an event of default is issued by the lender. On August 12, 2025, the Fund's first mortgage lender for Summermill took control of the property in exchange for discharging any obligations the Fund has related to such loan and as a result, the Fund recognized a gain on extinguishment of such debt for \$12,873 in Q3-2025.

As a result of the above noted transactions, the Fund has completed the liquidation of all of its investment properties and has commenced the final wind-up and liquidation process (the "Dissolution") of the Fund, which includes using cash on hand, including the net proceeds from the disposition of Hudson, to pay all final liabilities of the Fund, delisting the Fund's class A and class U Units and issuing the final distribution from the Fund (the "Final Distribution"), payable to holders of Units of record at December 15, 2025. The final distribution amounts are expected to be paid on December 18, 2025 (see "Subsequent Events").

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INVESTMENT OVERVIEW, OBJECTIVES AND STRATEGY

The Fund is a “closed-end” limited partnership formed under 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 targeted to be three years, with two one-year extensions (the “Term”) available subject to approval by Starlight U.S. Multi-Family (No. 2) Core Plus GP, Inc., the general partner of the Fund (“General Partner”). The Fund may be extended beyond five years by special resolution of the Unitholders. Section 2.7 of the first amended and restated limited partnership agreement dated as of March 19, 2021 (the “LPA”), set forth that the Fund will continue until the third anniversary of the closing date (as defined in the LPA), being March 31, 2021, unless extended by General Partner, in its sole discretion for additional one-year periods, provided that General Partner may only extend the Term (as defined in the LPA) of the Fund for two such additional one-year periods. On August 9, 2023, General Partner approved the first one-year extension of the Term to January 8, 2025, rather than March 31, 2025. On April 29, 2024, General Partner amended the one-year extension of the Term to March 31, 2025 to coincide with the closing date of the Fund and on November 18, 2024, approved the second one-year extension of the Term to March 31, 2026 (the “Term Extension”).

The ownership of the Fund is separated into seven classes of Units. On March 31, 2021, the Fund issued the following limited partnership Units: 2,862,819 class A Units, 2,436,500 class C Units, 2,095,700 class D Units and 1,959,606 class F Units at a price of C\$10.00 and 236,840 class E Units, 535,300 class G Units and 299,120 class U Units at a price of \$10.00. Class A, C, D and F are Canadian dollar denominated Units and class E, G and U are U.S. dollar denominated Units. Conversions can be made between certain classes of Units based on conversion ratios calculated consistent with the LPA (the “Conversion Ratios”). The weighted average class A equivalent Units outstanding as at September 30, 2025 was 10,901,901 (assumes all outstanding Units are converted to class A equivalent Units based on the Conversion Ratios).

The Offering raised gross subscription proceeds of \$85,408. After the closing of the Offering on March 31, 2021, the Fund acquired Montane Apartments (“Montane”) and Hudson at East (“Hudson”) consisting of a combined 675 suites. The Properties are located in Denver, Colorado and Orlando, Florida. During the year ended December 31, 2023, the Fund acquired Summermill at Falls River (“Summermill”) a class “A” institutional quality property comprising of 320 suites in Raleigh, North Carolina.

On June 27, 2025, the Fund completed the disposition of Montane for \$133,000. The proceeds were used to repay the outstanding loan principal balance of \$96,000 and to fully repay both of the unsecured loan and unsecured promissory note balances of \$9,000 and \$2,579, respectively. The disposition proceeds were further utilized to pay a special distribution to Unitholders (“Special Distribution”) amounting to approximately \$21,974 (see “Distributions to Unitholders”).

On August 12, 2025, the Fund completed the disposition of Hudson for cash proceeds of \$68,400 with the Fund utilizing the proceeds to fully repay the outstanding loan payable secured by such property amounting to \$67,000 and paid other customary transaction costs with the Fund retaining any remaining proceeds.

On August 12, 2025, the Fund’s first mortgage lender for Summermill took control of the property and as a result of the transfer of ownership, the Fund discharged its obligation to pay the outstanding mortgage loan principal balance on Summermill of \$85,639 and discharged all other liabilities of the Fund associated with the Summermill, with no cash proceeds being received by the Fund as a result of the transfer of ownership.

As a result of the above noted transactions, the Fund has completed the liquidation of all of its investment properties and has commenced the Dissolution, which includes using cash on hand, including the net proceeds from the sale of Hudson, to pay all final liabilities of the Fund, delisting the Fund’s class A and class U Units from trading on the TSXV and issuing the Final Distribution, payable to holders of Units of record at December 15, 2025. The final distribution amounts are expected to be paid on December 18, 2025 (see “Subsequent Events”).

The Listed Units of the Fund are listed on the TSX Venture Exchange under the symbols SCPT.A and SCPT.U, respectively.

The Fund’s Investment Strategy:

The Fund was established for the primary purpose of directly or indirectly acquiring, owning and operating a portfolio primarily comprised of income-producing multi-family real estate properties that demonstrate value based on pricing and local supply and demand trends to achieve the Fund’s target metrics or that can achieve significant increases in rental rates as a result of undertaking high return, light value-add capital expenditures and active asset management, and are located in the Primary Markets, with a particular focus on the suburban areas of the primary submarkets, being Atlanta, Georgia; Austin, Texas; Boise, Idaho; Charleston, South Carolina; Charlotte, North Carolina; Dallas, Texas; Denver, Colorado; Houston, Texas; Las Vegas, Nevada; Miami, Florida; Nashville, Tennessee; Orlando, Florida; Phoenix, Arizona; Portland, Oregon; Raleigh, North Carolina; Salt Lake City, Utah; San Diego, California; Seattle, Washington; and Tampa, Florida (“Primary Submarkets”). The

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Manager believes the U.S. multi-family real estate sector presents a compelling investment opportunity and provides competitive long-term returns when compared to other real estate asset classes.

The Fund's investment objectives are to:

1. Directly or indirectly acquire, own and operate a portfolio primarily composed of income-producing multi-family properties that demonstrate value based on pricing and local supply and demand trends to achieve the Fund's target metrics or that can achieve significant increases in rental rates as a result of undertaking high return, light value-add capital expenditures and active asset management, and are located in the Primary Markets, with a particular focus on the suburban areas of Primary Submarkets;
2. Make stable monthly cash distributions; and
3. Increase NOI through active asset management, which may include light value-add capital expenditures, utilizing revenue management software to increase rental rates, revenue enhancement through ancillary income opportunities and operating expense reductions through active asset management, best-in-class property management and economies of scale, with the goal of ultimately directly or indirectly disposing of its interests in the assets by the end of the Term.

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

- (a) compelling employment, population, and economic growth rates;
- (b) 'landlord friendly' legal environments; and
- (c) comfortable climates and quality of life.

ACQUISITION OF CORE PLUS U.S. MULTI-FAMILY REAL ESTATE

1. Identify acquisition opportunities in addition to the Properties in the U.S. multi-family market through the Manager's strong pipeline of exclusive acquisition opportunities by leveraging the Manager's relationships with principals, operators, and brokers located in the Fund's target markets and by its ability to source "off market" opportunities.
2. Target multi-family assets that are:
 - (a) garden and wrap-style, suburban, Class "A" institutional quality properties that demonstrate value based on pricing and local supply and demand trends to achieve the Fund's target metrics or that can achieve significant increases in rental rates as a result of undertaking high return, light value-add capital expenditures and active asset management;
 - (b) suburban and have a vintage of 1990 or later, with no less than 200 suites to ensure economies of scale;
 - (c) strategically located properties in the Primary Markets, with a particular focus on the suburban areas of the Primary Submarkets, with strong long-term job, population and economic growth rates;
 - (d) strategically located properties within their respective suburban submarkets with barriers to new development; and
 - (e) stabilized, with the potential to benefit from an active asset management strategy.
3. Complete a comprehensive due diligence program, including cash flow and value-add return modeling, operating expense reviews, and 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 private equity funds, operators, and other real estate asset managers.
2. Increase rental rates through value-add capital improvement programs, including:
 - (a) targeted light value-add capital expenditures of \$2,500 to \$7,500 per rental suite (e.g. kitchens, bathrooms, flooring, etc.);
 - (b) \$500,000 to \$750,000 for common area upgrades (e.g. clubhouses and resident amenity spaces), as well as modernization improvements; and

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(c) the use of yield management software.

3. Implement revenue management software and seek ancillary income opportunities (e.g. ancillary fees on new leases, bulk cable, door-to-door waste pick-up service, smart home technology, pet rent, garage rent, storage rental fees, washers and dryers, implementation of identification and verification programs and package handling solutions for package delivery to residents).
4. Reduce operating expenses such as staffing, maintenance contracts, advertising, general and administrative expenses and insurance through economies of scale.
5. Utilize reputable best-in-class U.S. based property managers.

VALUE REALIZATION THROUGH STRATEGIC DISPOSITIONS

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 and capital expenditures resulting in increased rental rates, and a pricing premium on the aggregated portfolio.
2. The Manager, on behalf of the Fund, plans to execute dispositions, 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 maximizing disposition proceeds.

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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 of directors (the “Board”) 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 expected to dissolve in second half of December 2025 (see “Investment Overview, Objectives and Strategy”), the 2050 net carbon emissions target is not applicable and as a result the Fund has not disclosed long-term initiatives and targets surrounding ESG.

The Fund has been committed to strong 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 directors, officers and employees of the Fund’s asset manager
- Independent directors 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 introduced many social initiatives through Starlight including summer internship programs, ESG workshops, resident relief programs, partnerships with humanitarian aid agencies and IDEA. During 2024 and into Q3-2025, the Fund held social events at its Properties that included holiday celebrations, nutrition events, fitness classes and monthly food socials for the residents.

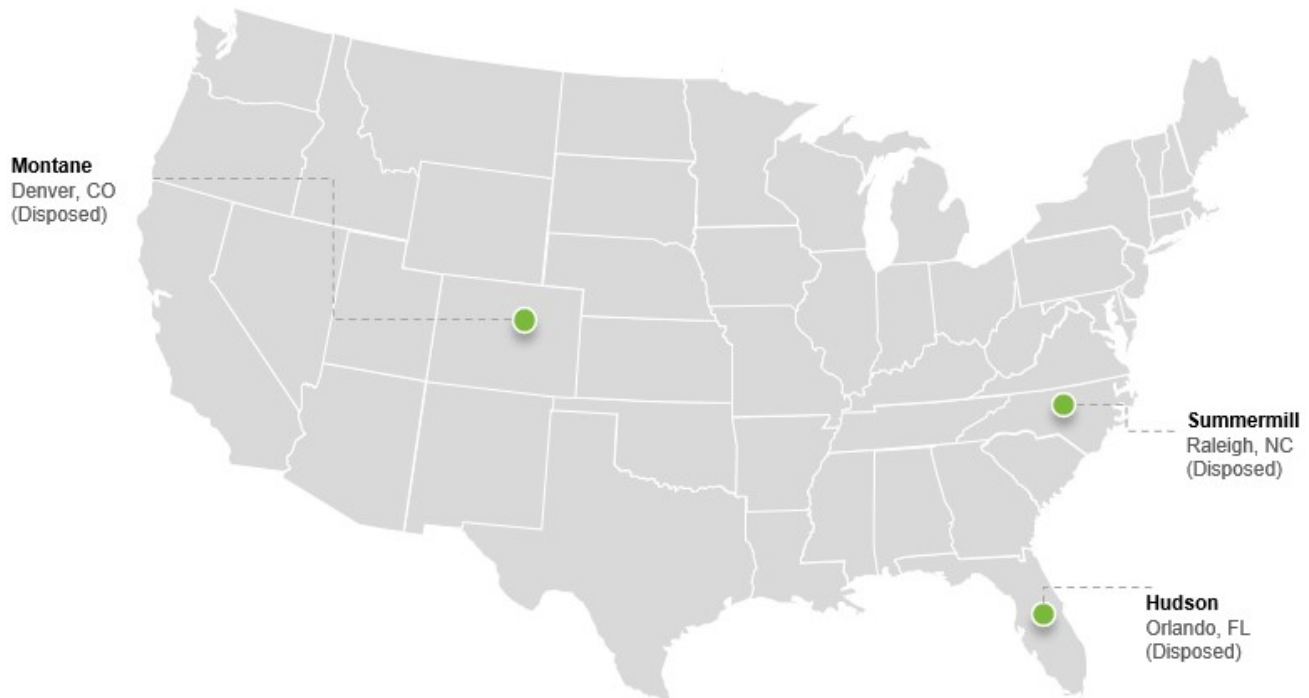
Risks related to ESG

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

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PORTFOLIO SUMMARY



The Properties were located in suburban areas of the Primary Markets within close proximity to major employment centres and attractive resident amenities including shopping and entertainment centres. Each Property had a mix of studio, one-bedroom, two-bedroom and three-bedroom suites as well as townhomes with the mix of suite types typically varying to align with the local resident demographics at each Property. Further details on the Properties can be found on the website at www.starlightinvest.com under the Fund's profile.

As of the date of this MD&A, the Fund has completed the disposition of all of its Properties, including Montane on June 27, 2025, Hudson on August 12, 2025, and the transfer of Summermill to the first mortgage lender on August 12, 2025 (see "Future Outlook").

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

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

FUND WIND-UP AND DISTRIBUTION

On November 25, 2025, the Fund announces the Final Distribution on its outstanding Units, payable to holders of Units of record at December 15, 2025. The final distribution amounts are estimated as outlined below and are expected to be paid on December 18, 2025 with all issued and outstanding Units being cancelled in exchange for such distribution in connection with the Dissolution on December 18, 2025. Subsequent to the Final Distribution, Unitholders will have been deemed to have liquidated their interest in the Fund with no remaining net assets being retained by the Fund, other than those to finalize payment of any remaining wind-up or dissolution costs. The Final Distribution amounts will be approximately as follows, subject to prevailing foreign exchange rates:

- C\$0.2685 per class A Unit
- C\$0.3184 per class C Unit
- C\$0.2685 per class D Unit
- US\$0.2779 per class E Unit
- C\$0.2970 per class F Unit
- US\$0.2500 per class G Unit
- US\$0.2500 per class U Unit

Conversions between classes of the Fund's units will cease on December 15, 2025 in order to facilitate the Final Distribution.

TSXV has advised the Fund that it has determined to implement its "due bill" trading procedures with respect to the Final Distribution. Due bills attach to the underlying listed securities between the record date and the payment date, allowing the underlying listed securities to carry the value of the entitlement until it is paid. When due bills are used, the ex-distribution date is deferred to the first trading day after the payment date.

For trading purposes, due bills will attach to the units from the opening of business on the record date of December 15, 2025, until the close of business on the December 18, 2025 payment date (the "Due Bill Period"). This means that buyers of the units through the facility of the TSXV during the Due Bill Period will receive the Final Distribution payment, provided they continue to be holders of the applicable units on the payment date.

The class A units and class U units are then expected to be delisted from the TSXV effective as of the close of trading on or about December 18, 2025 and the Fund will cease to be a reporting issuer in each of the provinces of Canada in which it was a reporting issuer thereafter. The due bill redemption date will be December 19, 2025. As a result of the units trading on a due bill basis during the Due Bill Period, Unitholders entitled to be paid the Final Distribution owing on the due bills should expect to receive that payment on or about the due bill redemption date of December 19, 2025. Unitholders prior to the Due Bill Period who do not purchase or sell units during the Due Bill Period will not have their applicable Final Distribution payment impacted by the due bill process.

The final T5013 tax slip for the Fund is expected to be issued by no later than March 31, 2026 and is expected to include a U.S. source capital loss allocated to investors on a pro-rata basis. The capital loss will reduce the adjusted cost base of Units held by investors. Furthermore, investors who acquired Units as part of the Offering of the Fund and have held them since such date are expected to trigger a capital loss if such Units are held until the Final Distribution is received. Each investor should consult with their tax advisor to assess their ability to utilize any such losses incurred or allocated. The Fund is not providing any tax advice to investors.

STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE PLUS FUND - Q3 2025 MD&ANotes to readers | Future outlook | Our business | **Highlights** | Financial performance | Other disclosures | Schedule A**HIGHLIGHTS FOR Q3-2025**

- The Board approved Special Distribution of \$21,974 following the disposition of Montane on June 27, 2025, applicable to its Unitholders of record as of July 8, 2025, subject to certain exceptions, and paid on July 15, 2025.
- On August 12, 2025, the Fund completed the disposition of Hudson for cash proceeds of \$68,400 with the Fund utilizing the proceeds to fully repay the outstanding loan payable secured by such property amounting to \$67,000 and paid other customary transaction costs with the Fund retaining any remaining proceeds.
- On August 12, 2025, the Fund's first mortgage lender for Summermill took control of the property and as a result of the transfer of ownership, the Fund discharged its obligation to pay the outstanding mortgage loan principal balance on Summermill of \$85,639 and discharged all other liabilities of the Fund associated with the Summermill, with no cash proceeds being received by the Fund as a result of the transfer of ownership. As a result of the transfer, the Fund recognized a gain on the extinguishment of such debt amounting to \$12,873.
- Subsequent to September 30, 2025, the Fund announced the Final Distribution on its outstanding Units, payable to holders of Units of record at December 15, 2025. The final distribution amounts are expected to be paid on December 18, 2025 (see "Subsequent Events").
- Revenue from property operations and NOI¹ for Q3-2025 was \$1,711 and \$1,176 (Q3-2024 - \$5,412 and \$3,638), respectively, representing a decrease of 68.4% and 67.7% relative to Q3-2024, primarily due to the disposition of Hudson and transfer of Summermill (as described above) (see "Results of Operations").
- The Fund reported a net income (loss) and comprehensive income (loss) attributable to Unitholders for Q3-2025 of \$11,999 (Q3-2024 - \$2,608), primarily due to recognition of a gain on extinguishment of debt of \$12,873 related to Summermill in Q3-2025, partially offset by lower NOI due the disposition of Hudson and transfer of Summermill (as described above) (see "Future Outlook").

HIGHLIGHTS FOR YTD-2025

- The Fund completed the disposition of Montane on June 27, 2025 and used the proceeds to repay the outstanding Montane first mortgage of \$96,000 as well as fully repay both of the unsecured loan and promissory note of \$9,000 and \$2,748, respectively.
- Revenue from property operations and NOI for YTD-2025 were \$12,462 and \$7,975 (YTD-2024 - \$16,249 and \$10,313), respectively, representing a decrease of 23.3% due to the disposition of all of the Fund's investment properties during YTD-2025 (see "Results of Operations").
- The Fund reported a net income (loss) and comprehensive income (loss) attributable to Unitholders for YTD-2025 of \$31,774 (YTD-2024 - \$8,781) primarily resulting from the Special Distribution of \$21,974 during YTD-2025 and higher fair value loss on investment properties than YTD-2024.

¹ 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

The Fund has completed the disposition of all of its investment properties as of September 30, 2025. As a result, results for Q3-2025 and YTD-2025 represented a partial operating period comparing to 2024, which reflected the ownership of the three properties. The fund will distribute net cash proceeds from disposition of all of its investment properties in December 2025 (see “Subsequent Events”).

	September 30, 2025 ⁽¹⁾		December 31, 2024	
Key multi-family operational information				
Number of multi-family properties owned ⁽²⁾	n/a		3	
Total multi-family suites	n/a		995	
Economic occupancy ⁽³⁾	n/a		93.8%	
Physical occupancy ⁽³⁾⁽⁴⁾	n/a		94.2%	
AMR (in actual dollars)	n/a		\$ 1,734	
AMR per square foot (in actual dollars)	n/a		\$ 1.72	
Estimated Gap to Market Versus In-Place Rents ⁽⁴⁾	n/a		(0.2)%	
Selected financial information				
Gross Book Value	n/a		\$ 290,800	
Indebtedness	n/a		\$ 258,619	
Indebtedness to Gross Book Value ⁽²⁾	n/a		88.9%	
Weighted average interest rate - as at period end ⁽⁵⁾	n/a		6.81%	
Weighted average loan term to maturity ⁽⁵⁾	n/a		1.06 years	
	Q3-2025 ⁽¹⁾	Q3-2024	YTD-2025	YTD-2024
Summarized income statement				
Revenue from property operations	\$ 1,711	\$ 5,412	\$ 12,462	\$ 16,249
Property operating costs	(370)	(1,439)	(3,202)	(4,274)
Property taxes ⁽⁶⁾	(165)	(335)	(1,285)	(1,662)
Adjusted Income from Operations / NOI	1,176	3,638	7,975	10,313
Fund and trust expenses	(808)	(367)	(2,245)	(1,148)
Finance costs, net ⁽⁷⁾	11,699	(5,719)	1,977	(16,581)
Other income and expense ⁽⁸⁾	(68)	(160)	(39,481)	(1,365)
Net income (loss) and comprehensive income (loss) - attributable to Unitholders	\$ 11,999	\$ (2,608)	\$ (31,774)	\$ (8,781)
Other selected financial information				
FFO ⁽⁴⁾	n/a	\$ (1,676)	\$ 9,432	\$ (5,244)
FFO per Unit - basic and diluted	n/a	(0.15)	0.87	(0.48)
AFFO ⁽⁴⁾	n/a	(155)	(1,847)	(1,109)
AFFO per Unit - basic and diluted	n/a	(0.01)	(0.17)	(0.10)
Weighted average interest rate - average during period ⁽⁴⁾	n/a	6.52%	6.64%	6.50%
Interest and Indebtedness Coverage Ratio ⁽⁶⁾⁽⁹⁾	n/a	0.97x	0.81x	0.90x
Weighted average Units outstanding - basic and diluted (000s)	n/a	10,902	10,902	10,902

⁽¹⁾ As at September 30, 2025 and for Q3-2025, certain metrics have not been presented as a result of the disposition of all of the Fund's investment properties and Dissolution (see “Subsequent Events”).

⁽²⁾ On June 27, 2025, the Fund completed the disposition of Montane. On August 12, 2025, the Fund completed the disposition of Hudson, and the Fund's first mortgage lender for Summermill took control of the property (see “Future Outlook”). As a result of the transfer of the Summermill property to the lender, the Fund has recognized a gain on the extinguishment of such loans payable of \$12,873.

⁽³⁾ Economic occupancy for Q3-2025 and December 31, 2024 and physical occupancy as at the end of each applicable reporting period.

⁽⁴⁾ This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see “Non-IFRS Financial Measures”). The AFFO, Interest Coverage Ratio and Indebtedness Coverage Ratio presented herein exclude \$nil and \$1,289 of interest costs for Q3-2025 and YTD-2025 or debt service shortfall funding from applicable lenders which are payable upon maturity of the applicable loan payable (see “Financing Activities”).

⁽⁵⁾ The weighted average interest rate on loans payable is presented as at September 30, 2025 based on one-month term Secured Overnight Financing Rate (“Term SOFR”) as at that date, subject to any interest rate caps in place (see “Fair value gain on derivative financial instruments”).

⁽⁶⁾ Property taxes include the IFRIC 21 fair value adjustment and treats property taxes as an expense that is amortized during the fiscal year for the purpose of calculating NOI. These amounts have been reported under property taxes under the Fund's condensed consolidated interim financial statements for the applicable reporting periods.

⁽⁷⁾ Finance costs include interest expense on loans payable, non-cash amortization of deferred financing, fair value changes in derivative financial instruments and gain on extinguishment of debt (see “Other Income and Expenses”) (see “Non-IFRS Financial Measures - FFO and AFFO”).

⁽⁸⁾ Includes dividends to preferred shareholders, unrealized foreign exchange gain (loss), realized foreign exchange gain (loss), fair value adjustment of investment properties, provision for carried interest and deferred income taxes. 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.

⁽⁹⁾ The Fund's Interest Coverage Ratio and Indebtedness Coverage Ratio were both 0.89x and 0.81x during Q3-2025 and YTD-2025, with the Fund's operating results offset by increases in the Fund's interest costs. These calculations exclude \$nil and \$1,289 of interest costs or debt service shortfall funding for Q3-2025 and YTD-2025 as these amounts are accrued and payable only at maturity of the applicable loan payable.

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FINANCIAL PERFORMANCE

The table below presents the financial performance of the Fund in accordance with IFRS for Q3-2025 and the previous seven quarters. The Fund has completed the disposition of all of its investment properties as of September 30, 2025. As a result, results for Q3-2025 represented a partial operating period:

	Q3-2025	Q2-2025	Q1-2025	Q4-2024	Q3-2024	Q2-2024	Q1-2024	Q4-2023
Revenue from property operations	\$ 1,711	\$ 5,316	\$ 5,435	\$ 5,339	\$ 5,412	\$ 5,491	\$ 5,346	\$ 5,266
Property operating costs	(370)	(1,388)	(1,444)	(1,487)	(1,439)	(1,432)	(1,403)	(1,356)
Property taxes	(165)	(543)	(577)	(462)	(335)	(663)	(664)	(662)
Income from rental operations	1,176	3,385	3,414	3,390	3,638	3,396	3,279	3,248
Fund and trust expenses	(808)	(1,043)	(394)	(413)	(367)	(393)	(388)	(330)
Finance costs, net ⁽¹⁾	11,699	(4,743)	(4,979)	(5,539)	(5,719)	(5,471)	(5,391)	(5,523)
Dividends to preferred shareholders - U.S. REIT series A	(8)	(4)	(4)	(4)	(4)	(4)	(4)	(12)
Distributions to Unitholders	—	(21,974)	—	—	—	—	—	—
Fair value adjustment of investment properties	(96)	(8,408)	(8,954)	(13,241)	—	—	(685)	(37,954)
Unrealized foreign exchange gain (loss)	39	(57)	3	(1)	(1)	—	(2)	—
Income tax (expense) recovery:								
Current	(3)	(7)	(8)	(7)	(6)	(6)	(6)	37
Deferred	—	—	—	1,816	(149)	(325)	(173)	9,754
Net income (loss) and comprehensive income (loss)	\$ 11,999	\$ (32,851)	\$ (10,922)	\$ (13,999)	\$ (2,608)	\$ (2,803)	\$ (3,370)	\$ (30,780)
FFO ⁽²⁾	\$ 12,734	\$ (1,582)	\$ (1,720)	\$ (1,981)	\$ (1,676)	\$ (1,768)	\$ (1,800)	\$ (984)
AFFO ⁽²⁾	(139)	(1,004)	(704)	(613)	(155)	(365)	(588)	(518)
FFO per Unit - basic and diluted ⁽²⁾	1.17	(0.15)	(0.16)	(0.18)	(0.15)	(0.16)	(0.17)	(0.09)
AFFO per Unit - basic and diluted ⁽²⁾	(0.01)	(0.09)	(0.06)	(0.06)	(0.01)	(0.03)	(0.05)	(0.05)

⁽¹⁾ Finance costs include interest expense on loans payable as well as non-cash amortization of deferred financing costs, fair value changes in derivative instruments and gain on early extinguishment of debt (see "Other Income and Expenses").

⁽²⁾ Distributions, FFO and AFFO per Unit for each period are based on the total distributions per weighted average Unit outstanding during the period. AFFO presented herein also exclude \$nil, \$496, \$793, \$940, \$990 and \$870 for Q3-2025, Q2-2025, Q1-2025, Q4-2024, Q3-2024 and Q2-2024 respectively of interest costs or debt service shortfall funding from applicable lenders which are payable upon maturity of the applicable loan payable.

RESULTS OF OPERATIONS

The results for Q3-2025 and YTD-2025 reflect 42 and 223 days of operating activities for Hudson and Summermill, as well as 87 and 177 days for Montane. In comparison, the results for Q3-2024 and YTD-2024 comparative periods reflect the operations for the three and nine months ended September 30, 2024 for all of the Fund's Properties.

As of the date of this MD&A, the Fund has completed the disposition of all of its Properties, including Montane on June 27, 2025, Hudson on August 12, 2025, and the transfer of Summermill to the first mortgage lender on August 12, 2025 (see "Future Outlook"). Detailed variance analysis for results of operations and on a same property basis have not been presented in this MD&A, given the variances reflected in the results of operations between Q3-2025 and Q3-2024, as well as between YTD-2025 and YTD-2024 are primarily attributable to the disposition of all of the Fund's Properties ("Primary Variance Driver").

	Q3-2025	Q3-2024	\$ Chg	% Chg	YTD-2025	YTD-2024	\$ Chg	% Chg
Revenue from property operations	\$ 1,711	\$ 5,412	\$ (3,701)	(68.4)%	\$ 12,462	\$ 16,249	\$ (3,787)	(23.3)%
Property operating costs	(370)	(1,439)	1,069	74.3%	(3,202)	(4,274)	1,072	25.1%
Property taxes	(165)	(335)	170	50.7%	(1,285)	(1,662)	377	22.7%
NOI	\$ 1,176	\$ 3,638	\$ (2,462)	(67.7)%	\$ 7,975	\$ 10,313	\$ (2,338)	(22.7)%
NOI Margin⁽¹⁾	68.7%	67.2%			64.0%	63.5%		

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

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AVERAGE MONTHLY RENT AND OCCUPANCY

The following table presents AMR (in actual dollars) as well as economic occupancy for the Properties. Given the variances reflected for AMR and economic occupancy between Q3-2025 and Q3-2024, as well as between YTD-2025 and YTD-2024 are primarily attributable to the Primary Variance Driver, detailed variance analysis have not been presented in this MD&A.

Properties	AMR ⁽¹⁾			Economic occupancy ⁽¹⁾					
	Q3-2025 ⁽²⁾	Q3-2024	% Chg	Q3-2025 ⁽²⁾	Q3-2024	% Chg	YTD-2025	YTD-2024	% Chg
Hudson	n/a	\$ 1,810	n/a	n/a	94.0 %	(0.2)%	95.2 %	94.1 %	1.1 %
Montane	n/a	1,927	n/a	n/a	95.2 %	(95.2)%	94.0 %	94.4 %	(0.4)%
Summermill	n/a	1,479	n/a	n/a	94.2 %	— %	93.8 %	93.2 %	0.6 %
Total properties	n/a	\$ 1,751	n/a	n/a	94.6 %	(0.6)%	94.3 %	94.0 %	0.3 %

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

⁽²⁾ For Q3-2025, figures have not been presented as a result of the disposition of all of the Fund's investment properties and the Dissolution (see "Subsequent Events").

QUARTERLY AMR AND OCCUPANCY

The table below outlines the Fund's quarterly AMR and economic occupancy results for Q3-2025 and the previous four quarters. Given the variances reflected for AMR and economic occupancy between Q3-2025 and Q3-2024 are primarily attributable to the Primary Variance Driver, detailed variance analysis have not been presented in this MD&A.

Properties	Q3-2025 ⁽¹⁾		Q2-2025		Q1-2025		Q4-2024		Q3-2024	
	AMR ⁽¹⁾	Econ. occ% ⁽¹⁾	AMR ⁽¹⁾	Econ. occ% ⁽¹⁾	AMR ⁽¹⁾	Econ. occ% ⁽¹⁾	AMR ⁽¹⁾	Econ. occ% ⁽¹⁾	AMR ⁽¹⁾	Econ. occ% ⁽¹⁾
Hudson	n/a	n/a	\$ 1,798	95.5 %	\$ 1,796	95.6 %	\$ 1,804	93.6 %	\$ 1,810	94.0 %
Montane	n/a	n/a	1,899	93.0 %	1,895	94.9 %	1,897	94.6 %	1,927	95.2 %
Summermill	n/a	n/a	1,476	94.7 %	1,471	92.8 %	1,466	92.6 %	1,479	94.2 %
Total portfolio	n/a	n/a	\$ 1,735	94.2 %	\$ 1,732	94.5 %	\$ 1,734	93.8 %	\$ 1,751	94.6 %

⁽¹⁾ For Q3-2025, figures have not been presented as a result of the disposition of all of the Fund's investment properties and the Dissolution (see "Subsequent Events").

⁽²⁾ Figures represent results as at the reporting period end for AMR and average during the reporting period for economic occupancy.

OTHER INCOME AND EXPENSES
FINANCE COSTS

The Fund's finance costs for Q3-2025 and YTD-2025 compared to Q3-2024 and YTD-2024 are summarized below. The Fund has completed the disposition of all of its investment properties as of September 30, 2025. As a result, results for Q3-2025 and YTD-2025 represented a partial operating period:

	Q3-2025	Q3-2024	\$ Chg	% Chg	YTD-2025	YTD-2024	\$ Chg	% Chg
Interest expense on loans payable	\$ 1,150	\$ 4,360	\$ (3,210)	(73.6)%	\$ 10,022	\$ 12,678	\$ (2,656)	(20.9)%
Amortization of financing costs	21	581	(560)	(96.4)%	466	1,713	(1,247)	(72.8)%
Gain on extinguishment of debt	(12,873)	—	(12,873)	(100.0)%	(12,873)	—	(12,873)	(100.0)%
Fair value change on derivative financial instruments	3	778	(775)	(99.6)%	408	2,190	(1,782)	(81.4)%
Total finance costs	\$ (11,699)	\$ 5,719	\$ (17,418)	(304.6)%	\$ (1,977)	\$ 16,581	\$ (18,558)	(111.9)%
Weighted average interest rate - average during period	6.71%	6.52%	n/a	n/a	6.64%	6.50%	n/a	n/a
Indebtedness - average outstanding during period	\$ 71,342	\$ 256,241	\$ (184,899)	(72.2)%	\$ 189,029	\$ 255,492	\$ (66,463)	(26.0)%

Interest expense on loans payable

Interest expenses on loans payable for Q3-2025 and YTD-2025 were \$1,150 and \$10,022 (Q3-2024 and YTD-2024 - \$4,360 and \$12,678), representing a decrease of \$3,210 and \$2,656 or 73.6% and 20.9% relative to Q3-2024 and YTD-2024 respectively. The decrease is primarily related to the lower average indebtedness as a result of the Primary Variance Driver during Q3-2025 and YTD-2025 relative to Q3-2024 and YTD-2024, partially offset by higher weighted average interest rate.

The Fund's weighted average interest rate during Q3-2025 and YTD-2025 was 6.71% and 6.64% (Q3-2024 and YTD-2024 - 6.52% and 6.50%), representing an increase of 19 and 14 basis points relative to Q3-2024 and YTD-2024 respectively, primarily due to the higher interest rate on the draws made on the Summermill loan payable facility available as well as draws on the unsecured promissory note (see "Financing Activities").

STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE PLUS FUND - Q3 2025 MD&ANotes to readers | Future outlook | Our business | Highlights | **Financial performance** | Other disclosures*Amortization of financing costs*

Amortization of financing costs for Q3-2025 was \$21 (Q3-2024 - \$581), representing a decrease of \$560 or 96.4% relative to Q3-2024, primarily due to the Primary Variance Driver.

Amortization of financing costs for YTD-2025 were \$466 (YTD-2024 - \$1,713), representing a decrease of \$1,247 or 72.8% relative to YTD-2024, primarily due to the same reason as noted above for Q3-2025.

Fair value adjustment on derivative instruments - interest rate caps

The Fund utilizes interest rate cap agreements to protect its interest costs on its variable rate loans as required by applicable lenders. The interest rate caps typically carry a notional amount equal to the amount of the loan outstanding at inception. For a detailed summary of the interest rate caps in place including the strike rate, term and notional amount of each interest rate cap applicable to certain loans payable protecting the Fund from increases in interest costs, please refer to the Fund's condensed consolidated interim financial statements for the three and nine months ended September 30, 2025 and September 30, 2024, which are available at www.sedarplus.ca.

For Q3-2025 and YTD-2025, the Fund recorded a realized loss on derivative instruments of \$3 and \$408 (Q3-2024 and YTD-2024 - unrealized loss of \$778 and \$2,190), respectively, related to the fair value loss on interest rate caps. The realized loss on the interest rate caps during Q3-2025 and YTD-2025 was attributable to the Primary Variance Driver.

Gain on extinguishment of debt

On August 12, 2025, the Fund's first mortgage lender for Summermill took control of the property in exchange for discharging any obligations the Fund has related to such loan and as a result, the Fund recognized a gain on extinguishment of such debt for \$12,873 in Q3-2025 (see "Future Outlook").

DISTRIBUTIONS TO UNITHOLDERS

On June 27, 2025, the Board approved the Special Distribution on its outstanding Units, payable on July 15, 2025, to holders of Units of record at July 8, 2025, subject to certain exceptions for securities bought or sold after this date but prior to the payment date (see "Investment Overview, Objectives and Strategy"). The Special Distribution amounts by class of Unit were C\$2.7500 per class A Unit, C\$2.9374 per class C Unit, C\$2.7500 per class D Unit, US\$2.6201 per class E Unit, C\$2.8571 per class F Unit, US\$2.5202 per class G Unit and US\$2.5202 per class U Unit totalling to \$21,974.

On November 25, 2025, the Fund announces the Final Distribution on its outstanding Units, payable to holders of Units of record at December 15, 2025. The final distribution amounts are expected to be paid on December 18, 2025 with all issued and outstanding Units being cancelled in exchange for such distribution in connection with the Dissolution on December 18, 2025. Subsequent to the Final Distribution, Unitholders will have been deemed to have liquidated their interest in the Fund with no remaining net assets being retained by the Fund, other than those to finalize payment of any remaining wind-up or dissolution costs (see "Subsequent Events").

FUND AND TRUST EXPENSES

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

Fund and trust expenses for Q3-2025 and YTD-2025 were \$808 and \$2,245 (Q3-2024 and YTD-2024 - \$367 and \$1,148), representing an increase of \$441 and \$1,097 or 120.2% and 95.6% relative to Q3-2024 and YTD-2024, respectively, primarily due to transaction costs related to the disposition of Hudson during Q3-2025 and the disposition of Montane during the second quarter of 2025 (see "Future Outlook").

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INVESTMENT PROPERTIES

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

Change in investment properties from January 1, 2024 to September 30, 2025:		Amount
Balance, January 1, 2024	\$	301,600
Additions		3,126
Fair value adjustment		(13,926)
Balance, December 31, 2024		290,800
Dispositions ⁽¹⁾		(274,242)
Additions		900
Fair value adjustment		(17,458)
Balance, September 30, 2025	\$	—

⁽¹⁾ On June 27, 2025 and August 12, 2025, the Fund completed the disposition of Montane and Hudson, respectively. On August 12, 2025, the Fund's first mortgage lender for Summermill took control of the property in exchange for discharging any obligations the Fund has related to such loan and as a result, the Fund recognized a gain on extinguishment of such debt for \$12,873 in Q3-2025.

Reconciliation of cost base of investment properties to their fair value:	September 30, 2025	December 31, 2024
Cost	\$ —	\$ 322,278
Cumulative fair value adjustment	—	(31,478)
Fair value	\$ —	\$ 290,800

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

	September 30, 2025⁽¹⁾	December 31, 2024
Capitalization rate - range	n/a	5.00% to 5.25%
Capitalization rate - weighted average	n/a	5.08 %
Weighted average capitalization rate - 10 basis point increase ⁽²⁾	n/a \$	(5,614)
Weighted average capitalization rate - 10 basis point decrease ⁽²⁾	n/a \$	5,839

⁽¹⁾ As at September 30, 2025, rates have not been presented as a result of the disposition of all of the Fund's investment properties and the Dissolution (see "Subsequent Events").

⁽²⁾ The impact of change in weighted average capitalization rate to the fair value of the Fund's investment properties.

During Q3-2025 and YTD-2025, the Fund recorded a fair value loss on investment properties of \$96 and \$17,458 (Q3-2024 and YTD-2024 - loss of \$nil and \$685) respectively, primarily as a result of cap rate expansion. The cap rate expansion was primarily due to increases in U.S. long-term treasury rates which typically correlate to changes in cap rates over time.

The impact of a 1% change in NOI used to value the investment properties as at September 30, 2025 would affect the fair value by \$nil (December 31, 2024 - approximately \$2,909).

On August 12, 2025, the Fund's first mortgage lender for Summermill took control of the property in exchange for discharging any obligations the Fund has related to such loan and as a result, the Fund recognized a gain on extinguishment of such debt in Q3-2025 of approximately \$12,873.

On August 12, 2025, in addition to the transfer of Summermill outlined above, the Fund completed the disposition of Hudson. As a result, the Fund as of date of issuance of this MD&A has completed the disposition of all of its investment properties and has commenced the Dissolution of the Fund, which includes using cash on hand, including the net proceeds from the disposition of Hudson, to pay all final liabilities of the Fund, delisting the Fund's class A and class U Units from trading on the TSXV and issuing the Final Distribution, payable to holders of Units of record at December 15, 2025. The final distribution amounts are expected to be paid on December 18, 2025 (see "Investment Overview, Objectives and Strategy" and "Subsequent Events").

PROVISION FOR CARRIED INTEREST

As at September 30, 2025, the Fund had not recognized a provision for carried interest and as a result, there was no expense recorded in the condensed consolidated interim statement of income (loss) and comprehensive income (loss) for Q3-2025 and YTD-2025 (Q3-2024 and YTD-2024 - \$nil) (see "Related Party Transactions and Arrangements - Carried Interest").

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DISTRIBUTIONS TO UNITHOLDERS RELATIVE TO NET INCOME AND COMPREHENSIVE INCOME

	Q3-2025	Q3-2024	YTD-2025	YTD-2024
Net income (loss) and comprehensive income (loss) - attributable to Unitholders	\$ 11,999	\$ (2,608)	\$ (31,774)	\$ (8,781)
Add / (deduct): non-cash or one-time items and distributions ⁽¹⁾	(12,125)	1,509	28,783	5,239
Adjusted net loss and comprehensive loss ⁽²⁾	(126)	(1,099)	(2,991)	(3,542)
Excess (shortfall) of adjusted net loss and comprehensive loss over distributions to Unitholders⁽³⁾	n/a	n/a	\$ (24,965)	n/a

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

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

⁽³⁾ No distributions were paid during Q3-2025, Q3-2024 and YTD-2024 as the Fund paused distributions commencing November 2022.

On June 27, 2025, the Fund completed the disposition of Montane for \$133,000. Following the disposition, the Board approved Special Distribution from the net disposition proceeds amounting to \$21,974 on its outstanding Units, paid on July 15, 2025, to holders of Units of record at July 8, 2025.

NON-IFRS FINANCIAL MEASURES - FFO AND AFFO

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

FFO AND AFFO

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

	Q3-2025	Q3-2024	YTD-2025	YTD-2024
Net income (loss) and comprehensive income (loss) - attributable to Unitholders	\$ 11,999	\$ (2,608)	\$ (31,774)	\$ (8,781)
Add / (deduct):				
Distributions to Unitholders ⁽¹⁾	—	—	21,974	—
Dividends to preferred shareholders - U.S. REIT series A	8	4	16	12
Deferred tax expense	—	149	—	647
Unrealized foreign exchange (gain) loss	(39)	1	15	3
Fair value adjustment on derivative financial instruments	3	778	408	2,190
Fair value adjustment of investment properties	96	—	17,458	685
Transaction costs	667	—	1,335	—
FFO	\$ 12,734	\$ (1,676)	\$ 9,432	\$ (5,244)
Add / (deduct):				
Amortization of financing costs	21	581	466	1,713
Vacancy costs associated with the suite upgrade program	—	25	7	77
Gain on extinguishment of debt	(12,873)	—	(12,873)	—
Sustaining capital expenditures and suite renovation reserves	(21)	(75)	(168)	(225)
Accrued interest costs ⁽²⁾	—	990	1,289	2,570
AFFO	\$ (139)	\$ (155)	\$ (1,847)	\$ (1,109)
FFO per Unit - basic and diluted	\$ 1.17	\$ (0.15)	\$ 0.87	\$ (0.48)
FFO payout ratio	n/a	n/a	233.0 %	n/a
AFFO per Unit - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.17)	\$ (0.10)
AFFO payout ratio	n/a	n/a	n/a	n/a
Distributions declared	\$ —	\$ —	\$ 21,974	\$ —
Weighted average Units outstanding - basic and diluted (000s)	10,902	10,902	10,902	10,902

⁽¹⁾ Distributions declared to Unitholders during YTD-2025 represented the Special Distribution following the disposition of Montane and had not been included in the calculation of FFO and AFFO payout ratio.

⁽²⁾ These amounts represent interest costs that are deferred and payable only at maturity of the applicable loan payable (see "Financing Activities").

FFO

Basic and diluted FFO and FFO per Unit for Q3-2025 were \$12,734 and \$1.17, respectively (Q3-2024 - \$(1,676) and \$(0.15)), representing an increase in FFO of \$14,410 or 859.8% and an increase in FFO per Unit of \$1.32 relative to Q3-2024, primarily

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as a result of gain on extinguishment of debt of \$12,873 related to the transfer of Summermill property to its lender as well as lower finance costs and fund and trust expenses due to the Primary Variance Driver. FFO presented herein also includes \$nil of accrued interest costs for Q3-2025 (YTD-2025 - \$1,289) or debt service shortfall funding from applicable lenders which were payable upon maturity of the applicable loan payable, which amounts have been added back in AFFO presented and subsequently settled upon disposition of the Fund's investment properties.

Basic and diluted FFO and FFO per Unit for YTD-2025 were \$9,432 and \$0.87, respectively (YTD-2024 - \$(5,244) and \$(0.48)), representing an increase in FFO of \$14,676 or 279.9% and an increase in FFO per Unit of \$1.35 relative to YTD-2024, primarily due to the same reason as noted above for Q3-2025.

AFFO

Basic and diluted AFFO and AFFO per Unit for Q3-2025 were \$(139) and \$(0.01), respectively (Q3-2024 - \$(155) and \$(0.01)), representing an increase in AFFO of \$16 or 10.3% and AFFO per Unit remained consistent relative to Q3-2024, primarily as a result of lower finance costs and fund and trust expenses due to the Primary Variance Driver, partially offset by higher accrued interest costs payable upon maturity of the applicable loan payable during Q3-2024 relative to Q3-2025, which have been added back for the purposes of calculating AFFO (see "Financing Activities").

Basic and diluted AFFO and AFFO per Unit for YTD-2025 were \$(1,847) and \$(0.17), respectively (YTD-2024 - \$(1,109) and \$(0.10)), representing a decrease in AFFO of \$738 or 66.5% and a decrease in AFFO per Unit of \$0.07 relative to YTD-2024, primarily as a result of lower accrued interest costs payable upon maturity of the applicable loan payable during YTD-2025 relative to YTD-2024 which have been added back for the purposes of calculating AFFO (see "Financing Activities"), partially offset by lower finance costs and fund and trust expenses due to the Primary Variance Driver.

For Q3-2025, the Fund has not presented an FFO and AFFO payout ratio, as the Fund paused distributions commencing November 2022. The one-time Special Distribution of \$21,974 has not been included in the calculation of FFO and AFFO and the payment was funded through the proceeds from the sale of Montane on June 27, 2025.

Sustaining capital expenditures

For the purposes of calculating AFFO, the Fund utilized a reserve for sustaining capital expenditures and suite renovations of \$21 and \$168 for Q3-2025 and YTD-2025 (Q3-2024 and YTD-2024 - \$75 and \$225), respectively. 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 renovation costs. The use of the reserve also eliminates any potential fluctuations in AFFO due to non-recurring or less frequent sustaining capital expenditures. Sustaining capital expenditure reserves are based on third party property condition assessment reports, which provide an estimate of sustaining capital expenditures required based on the quality of construction, age of the building and anticipated future maintenance requirements. Management believes the use of these property assessment reports to estimate sustaining capital expenditure amounts is appropriate given the third party's engineering and structural expertise as well their knowledge and experience with real estate in the Primary Markets. Actual sustaining capital expenditures and suite renovation costs incurred during Q3-2025 and YTD-2025 were \$18 and \$92 (Q3-2024 and YTD-2024 - \$51 and \$264), respectively.

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Cash provided by operating activities reconciliation to FFO and AFFO

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

	Q3-2025	Q3-2024	YTD-2025	YTD-2024
Cash provided by operating activities	\$ 1,533	\$ 3,108	\$ 5,378	\$ 9,677
Less: interest costs	(1,150)	(4,360)	(10,022)	(12,678)
Cash provided by (used in) operating activities - including interest costs⁽¹⁾	383	(1,252)	(4,644)	(3,001)
Add / (deduct):				
Change in non-cash operating working capital	1,158	(610)	3,276	(1,620)
Gain on extinguishment of debt	12,873	—	12,873	—
Transaction costs	667	—	1,335	—
Change in restricted cash	(2,326)	767	(2,942)	1,090
Amortization of financing costs	(21)	(581)	(466)	(1,713)
FFO	12,734	(1,676)	9,432	(5,244)
Add / (deduct):				
Amortization of financing costs	21	581	466	1,713
Vacancy costs associated with the suite upgrade program	—	25	7	77
Gain on extinguishment of debt	(12,873)	—	(12,873)	—
Sustaining capital expenditures and suite renovation reserves	(21)	(75)	(168)	(225)
Accrued interest costs ⁽²⁾	—	990	1,289	2,570
AFFO	\$ (139)	\$ (155)	\$ (1,847)	\$ (1,109)

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

⁽²⁾ These amounts represent interest costs that are deferred and payable only at maturity of the applicable loan payable.

LIQUIDITY AND CAPITAL RESOURCES
LIQUIDITY

On August 12, 2025, the Fund has discharged its obligation and repaid outstanding loans payable in full following the disposition of Hudson as well as transfer of ownership of Summermill to its lender (see "Investment Overview, Objectives and Strategy" and "Future Outlook").

As a result of the above noted transactions, the Fund has completed the liquidation of all of its investment properties and has commenced the Dissolution, which includes using cash on hand, including the net proceeds from the disposition of Hudson, to pay all final liabilities of the Fund, delisting the Fund's class A and class U Units and issuing the Final Distribution, payable to holders of Units of record at December 15, 2025. The final distribution amounts are expected to be paid on December 18, 2025 (see "Subsequent Events").

CASH FLOW

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

	Q3-2025	Q3-2024	YTD-2025	YTD-2024
Cash provided by operating activities	\$ 1,533	\$ 3,108	\$ 5,378	\$ 9,677
Cash provided by (used in) investing activities	153,977	(612)	286,215	(2,144)
Cash used in financing activities	(177,331)	(2,416)	(291,844)	(8,012)
(Decrease) increase in cash	(21,821)	80	(251)	(479)
Cash, beginning of period	24,018	2,506	2,502	3,067
Change in cash due to foreign exchange	39	(1)	(15)	(3)
Cash, end of period	\$ 2,236	\$ 2,585	\$ 2,236	\$ 2,585

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Cash provided by operating activities during Q3-2025 and YTD-2025 was \$1,533 and \$5,378, respectively, which primarily consisted of the operating income generated by the Properties and cash used to fund restricted cash deposits, which are held in escrow to be used to fund property taxes, insurance costs, or debt service payments at the Properties in future periods, partially offset by changes in non-cash working capital.

Cash provided by operating activities during Q3-2024 and YTD-2024 was \$3,108 and \$9,677, which primarily consisted of the operating income generated by the Properties and changes in non-cash working capital, partially offset by cash used to fund restricted cash deposits, which are held in escrow to be used to fund property taxes, insurance costs, or debt service payments at the Properties in future periods.

Cash provided by investing activities for Q3-2025 and YTD-2025 was \$153,977 and \$286,215, respectively, which primarily related to \$133,000 from the disposition of Montane on June 27, 2025 as well as \$154,115 related to the disposition of Hudson and transfer of ownership of Summermill to its lender on August 12, 2025, partially offset by capital additions at the Properties.

Cash used in investing activities for Q3-2024 and YTD-2024 was \$612 and \$2,144, respectively, which related to capital additions at the Properties.

Cash used in financing activities for Q3-2025 and YTD-2025 was \$177,331 and \$291,844, which primarily consisted of repayment of existing loans payable amounting to \$152,640 and \$261,509 related to the first mortgages, unsecured loan as well as unsecured promissory note following the disposition of all of the Fund's investment properties, finance costs paid of \$2,584 and \$10,745, Special Distribution of \$21,974, partially offset by draws on existing loans of \$nil and \$2,525, respectively.

Cash used in financing activities for Q3-2024 and YTD-2024 was \$2,416 and \$8,012, which primarily consisted of finance costs paid of \$4,348 and \$12,717, partially offset by the proceeds from the new financing and draw downs on existing loans of \$1,936 and \$4,717 respectively.

CAPITAL STRUCTURE AND DEBT PROFILE
CAPITAL STRUCTURE

The Fund's capital is the aggregate of Indebtedness and net liabilities attributable to Unitholders. The Fund's capital management is designed to maintain a level of capital that allows it to implement its business strategy while complying with investment and debt restrictions as well as existing debt covenants (see "Liquidity and Capital Resources"). The total capital of the Fund as at September 30, 2025 is summarized below:

	September 30, 2025	December 31, 2024
Loans payable	\$ —	\$ 258,619
Net liabilities attributable to Unitholders	2,233	34,007
Total capital attributable to Unitholders	\$ 2,233	\$ 292,626

	September 30, 2025 ⁽¹⁾	December 31, 2024
Indebtedness to Gross Book Value ⁽²⁾	n/a	88.9%
Weighted average interest rate - as at period end ⁽²⁾	n/a	6.81%
Weighted average loan term to maturity ⁽²⁾	n/a	1.06 years

	Q3-2025	Q3-2024	YTD-2025	YTD-2024
Weighted average interest rate - average during period	6.71%	6.52%	6.64%	6.50%
Interest and Indebtedness Coverage Ratio	0.89x	0.97x	0.81x	0.90x

⁽¹⁾ As at September 30, 2025, figures have not been presented as a result of the Dissolution (see "Subsequent Events").

⁽²⁾ On June 27, 2025, the Fund completed the disposition of Montane. On August 12, 2025, the Fund completed the disposition of Hudson, and the Fund's first mortgage lender for Summermill took control of the property (see "Future Outlook"). As a result of the transfer of the Summermill property to the lender, the Fund recognized gain on the extinguishment of such loans payable of \$12,873. Since all of the Fund's properties were sold as of September 30, 2025, certain ratios have not been presented in this MD&A.

On June 27, 2025, the Fund completed the disposition of Montane and on August 12, 2025, the Fund completed the disposition of the Hudson and the Fund's first mortgage lender for Summermill took control of the property. As a result of the disposition of Montane and Hudson as well as transfer of ownership of Summermill, the Fund has discharged its obligation and repaid outstanding loans payable as of the date of this MD&A.

As at September 30, 2025, the overall leverage, as represented by the ratio of Indebtedness to Gross Book Value and weighted average term to maturity have not been presented as Fund completed the disposition of all of its investment properties as of the date of this MD&A (December 31, 2024 - 88.9% and 1.06 years).

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For Q3-2025 and YTD-2025, the Interest Coverage Ratio and the Indebtedness Coverage Ratio were both 0.89x and 0.81x (Q3-2024 and YTD-2024 - 0.97x and 0.90x) respectively. As noted above, as of the date of this MD&A, all loans payable of the Fund were repaid in full. The balloon repayment amounts paid under the first mortgages of Montane, Hudson and Summermill, unsecured promissory note as well unsecured loan have been excluded from this calculation as a result of these repayments being covered from the disposition proceeds of such properties (see “Investment Overview, Objectives and Strategy”).

On November 25, 2025, the Fund announces the Final Distribution on its outstanding Units, payable to holders of Units of record at December 15, 2025. The final distribution amounts are expected to be paid on December 18, 2025 with all issued and outstanding Units being cancelled in exchange for such distribution in connection with the Dissolution on December 18, 2025. Subsequent to the Final Distribution, Unitholders will have been deemed to have liquidated their interest in the Fund with no remaining net assets being retained by the Fund, other than those to finalize payment of any remaining wind-up or dissolution costs (see “Subsequent Events”).

FINANCING ACTIVITIES

On June 27, 2025, the Fund completed the disposition of Montane and used the proceeds to fully repay the outstanding Montane first mortgage of \$96,000 and fully repaid both of the unsecured loan and promissory note of \$9,000 and \$2,748, respectively (see “Investment Overview, Objectives and Strategy”).

The Hudson loan payable previously matured May 7, 2025 with the Fund obtaining a short-term extension from the lender to September 7, 2025. On August 12, 2025, the Fund completed the disposition of Hudson for cash proceeds of \$68,400 with the Fund utilizing the proceeds to fully repay the outstanding loans payable secured by such property amounting to \$67,000.

On January 22, 2024, the Fund modified the Summermill loan payable to discharge its obligation to purchase a replacement interest rate cap and obtain access to a facility used to fund a portion of the debt service at the property, whereby the Fund can draw up to \$290 per month subject to certain terms and performance conditions. The outstanding balance on any drawn amounts bears an interest at Term SOFR + 8.00%, which is accrued and payable at the time of repayment of such loan. Any accrued debt service costs or debt service shortfall funding which have been deferred and are payable upon maturity of the loan are included in interest expense within the condensed consolidated interim statement of income (loss) and comprehensive income (loss) with an offsetting amount added to the loans payable principal outstanding which during the three and nine months ended September 30, 2025, amounted to \$nil and \$1,181. As at September 30, 2025, the Fund had accrued and deferred a total of \$4,631 of debt service costs including deferred interest of \$476, which are included in the principal balance outstanding reported at such date (December 31, 2024 - \$3,449) whereby such amounts bear interest at Term SOFR + 8.00% and the remaining principal outstanding on the Summermill loan payable at that time of \$81,009 bears interest at Term SOFR + 2.95%. On August 12, 2025, the Fund's first mortgage lender for Summermill took control of the property and the Fund discharged its obligation to pay the outstanding mortgage loan principal balance on Summermill of \$85,639 and discharged all other liabilities of the Fund associated with Summermill, with no cash proceeds being received by the Fund as a result of the transfer of ownership. As a result of the transfer, the Fund recognized a gain on the extinguishment of such debt amounting to \$12,873.

On June 28, 2024, the Fund entered into an unsecured promissory note with the Manager, due and payable on March 31, 2025 and further extended to June 30, 2025 on March 31, 2025 with all other terms remaining unchanged. The note accrues interest at a rate of 10.5% per annum, calculated and payable monthly, with the option to prepay a portion or the entire principal amount thereof. The Manager also elected to defer the Fund's obligation for payment of any accrued interest until further notice. The accrued interest of \$169 had been added to the outstanding principal balance of loans payable and is also reflected in the interest expense in the condensed consolidated interim statement of income (loss) and comprehensive income (loss). On June 27, 2025, the promissory note was repaid in full from the proceeds from the disposition of Montane.

On January 21, 2025, the unsecured loan was extended to April 1, 2025 and further extended to July 1, 2025 on March 31, 2025, bearing IO payments at 12.00%. On June 27, 2025, the unsecured loan was repaid in full from the proceeds from the disposition of Montane.

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 of issuance of this MD&A, 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. On August 12, 2025, the Fund announced the Dissolution of the Fund expected to be completed by second half of December 2025 (see “Investment Overview, Objectives and Strategy”).

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NET LIABILITIES ATTRIBUTABLE TO UNITHOLDERS

The Fund is authorized to issue an unlimited number of Units. The beneficial interest in the net income (loss) and comprehensive income (loss) of the Fund is divided into nine classes of Units: A, C, D, E, F, G and U. Below is a summary by class of the net liabilities attributable to Unitholders for the period from January 1, 2024 to September 30, 2025:

	Class A	Class C	Class D	Class E	Class F	Class G	Class U	Total
Net liabilities attributable to Unitholders, January 1, 2024	\$ 11,451	\$ 13,363	\$ 15,703	\$ 1,246	\$ 9,231	\$ 3,845	\$ 1,948	\$ 56,787
Re-allocation due to Unit conversions	(563)	—	1,428	(11)	(865)	(11)	22	—
Net loss and comprehensive loss	(4,372)	(5,342)	(6,879)	(496)	(3,360)	(1,534)	(797)	(22,780)
Net liabilities attributable to Unitholders, December 31, 2024	6,516	8,021	10,252	739	5,006	2,300	1,173	34,007
Re-allocation due to Unit conversions	2,124	—	(810)	(46)	(1,314)	(313)	359	—
Net loss and comprehensive loss	(8,098)	(7,450)	(8,850)	(643)	(3,442)	(1,846)	(1,445)	(31,774)
Net liabilities attributable to Unitholders, September 30, 2025	542	571	592	50	250	141	87	2,233

The following table summarizes the changes in Units outstanding for Q3-2025:

(in thousands of Units)	Class A	Class C	Class D	Class E	Class F	Class G	Class U	Total
Outstanding as at January 1, 2025	2,089	2,437	3,286	183	1,556	589	300	10,440
Units reallocated due to conversions	680	—	(259)	(11)	(408)	(33)	44	13
Outstanding as at September 30, 2025	2,769	2,437	3,027	172	1,148	556	344	10,453

Classes A, C, D and F are Canadian dollar denominated Units and classes E, G and U are U.S. dollar denominated Units. Conversions can be made between certain classes of Units based on the Conversion Ratios. The weighted average class A equivalent Units outstanding during Q3-2025 was 10,901,901 (assumes all outstanding Units are converted to class A equivalent Units based on the Conversion Ratios). The Fund has completed the liquidation of all of its investment properties and has commenced the Dissolution of the Fund, which includes using cash on hand, including the net proceeds from the disposition of Hudson, to pay all final liabilities of the Fund, delisting the Fund's class A and class U Units and issuing the Final Distribution, payable to holders of Units of record at December 15, 2025. The final distribution amounts are expected to be paid on December 18, 2025. Subsequent to the Final Distribution, Unitholders will have been deemed to have liquidated their interest in the Fund with no remaining net assets being retained by the Fund, other than those to finalize payment of any remaining wind-up or dissolution costs (see "Subsequent Events").

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RELATED PARTY TRANSACTIONS AND ARRANGEMENTS

ARRANGEMENTS WITH THE MANAGER

The Fund engaged the Manager to perform certain management services, as outlined below. The Manager is a related party to the Fund as the Manager is owned and controlled by Daniel Drimmer, a director and Chief Executive Officer of General Partner as well as a Unitholder of the Fund. The management agreement dated March 31, 2021 (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 annual fees equal to 0.35% of the sum of: (i) the historical purchase price of the Properties acquired; and (ii) the cost of any capital expenditures in respect of the Properties since the date of acquisition by the Fund. In addition, the Fund reimburses the Manager for all reasonable and necessary actual out-of-pocket costs and expenses incurred by the Manager in connection with the performance of the services described in the Management Agreement or such other services which the Fund and the Manager agree in writing are to be provided from time to time by the Manager.

For Q3-2025 and YTD-2025, the Fund incurred asset management fees of \$70 and \$623 (Q3-2024 and YTD-2024 - \$278 and \$832) respectively, which were charged to fund and trust expenses. On January 1, 2024, the Manager agreed to defer the Fund's obligation to pay all asset management fees until further notice. As of September 30, 2025, following the disposition of Montane, the Fund paid previously deferred asset management fees in full. In addition the remaining fees accrued from the reporting date to August 11, 2025 was paid using the proceeds from the disposition of Hudson (see "Future Outlook"). The amount payable to the Manager as at September 30, 2025 was \$nil (December 31, 2024 - \$1,110).

(b) **Acquisition fees:** Pursuant to the Management Agreement, the Manager is entitled to receive an acquisition fee equal to 1% of the purchase price of properties acquired, directly or indirectly, by the Fund as a result of such properties having been presented to the Fund by the Manager.

For Q3-2025 and YTD-2025, the Fund did not incur any acquisition fees (Q3-2024 and YTD-2024 - \$nil). There are no ongoing contractual commitments with the related party as a result of the acquisitions of the properties. Acquisition fees are paid at the time of acquisition and are initially capitalized to investment properties on acquisition.

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

For Q3-2025 and YTD-2025, the Fund did not incur guarantee fees (Q3-2024 and YTD-2024 - \$nil). There was no amount payable to the Manager as at September 30, 2025 (December 31, 2024 - \$nil).

Other related party transactions

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

On June 28, 2024, the Fund issued an unsecured promissory note to the Manager, due and payable on March 31, 2025 and further extended to June 30, 2025 on March 31, 2025 with all other terms remaining unchanged. The note accrues interest at a rate of 10.5% per annum, calculated and payable monthly, with the option to prepay a portion or the entire principal amount. On June 27, 2025, following the disposition of Montane, unsecured promissory note outstanding balance of \$2,579 was fully repaid to the Manager from the disposition proceeds. On September 30, 2025, there was no outstanding principal amount of the unsecured promissory note (see "Investment Overview, Objectives and Strategy").

CARRIED INTEREST

The partners of Starlight Investments (No. 2) Core Plus Partnership ("SICPP"), currently being an affiliate of the Manager and the President of the General Partner, through SICPP's indirect interest in Starlight U.S. Multi-Family (No. 2) Core Plus Holding L.P. ("Holding L.P."), a 99.99% owned subsidiary of the Fund, are entitled to 25% of the total of all amounts each of which is the amount, if any, by which (i) the aggregate amount of distributions which would have been paid on all Units of a particular

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class if all Distributable Cash (as defined in the Fund's final long form prospectus dated March 19, 2021 (the "Prospectus")) of the Holding L.P. was received by the Fund through Starlight U.S. Multi-Family (No. 2) Core Plus Investment L.P. ("Investment L.P."), a 100% owned subsidiary of the Fund and Starlight U.S. Multi-Family (No. 2) Core Plus Investment GP, Inc., a 100% owned subsidiary of the Fund, together with all other amounts distributable by the Fund, and distributed by the Fund (net of any amounts required to provide for expenses and determined without reference to any applicable U.S. taxes payable by or on behalf of the Investment L.P.) to Unitholders in accordance with the LPA, exceeds (ii) the aggregate minimum return. ("Minimum Return", as defined in the Prospectus) in respect of such class of Units (the calculation of which includes the amount of the "Investors Capital Return Base" (as defined in the Prospectus)), each such excess, if any, to be calculated in U.S. dollars and, in the case of class A Units, class C Units, class D Units and class F Units, based on the applicable exchange rate on the date of distribution for actual distributions paid by the Fund and otherwise on the date of the applicable distribution from Holding L.P. to Investment L.P. and by Investment L.P. to, directly or indirectly, the Fund, 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 exceed the Minimum Return for such class, the partners of SICPP, through SICPP's indirect interest in Holding L.P., are entitled to 50% of each such excess amount (i.e., a catch-up) until the excess, if any, which would have been distributed in respect of such class in excess of the investors Capital Return Base (as defined in the Prospectus), is equal to three times (i.e., 75%/25%) the catch-up payment receivable by the partners of SICPP in respect of such class (see "Subsequent Events").

MATERIAL ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

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

CRITICAL JUDGMENTS AND ESTIMATES

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

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

- (a) **Accounting for acquisitions:** Management must assess whether the acquisition of a property should be accounted for as an asset purchase or business combination. This assessment impacts the accounting treatment of transaction costs, the allocation of the costs associated with the acquisition and whether or not goodwill is recognized. The Fund's acquisitions are generally determined to be asset purchases as the Fund does not acquire an integrated set of activities that together significantly contribute to the ability to create outputs as part of the acquisition transaction. For asset acquisitions, the total cost is allocated to the identifiable assets and liabilities on the basis of their relative fair values on the acquisition date.
- (b) **Financial instruments:** Critical judgments and estimates are also made in the determination of fair value of financial instruments and include assumptions and estimates regarding future interest rates, the relative creditworthiness of the Fund to its counterparties, the credit risk of the Fund's counterparties relative to the Fund, the estimated future cash flows and discount rates.
- (c) **Investment properties:** The estimates used when determining the fair value of investment properties are capitalization rates and stabilized future cash flows. The capitalization rate applied is reflective of the characteristics, location and market of each investment property. The stabilized future cash flows of each investment property are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Fund typically determines fair value internally utilizing internal financial information, external market data and capitalization rates provided by independent industry experts through third-party appraisals. In addition, the Fund obtains valuations from third-party appraisers at least once annually for each Property.

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(d) **Income taxes:** The Fund applies judgment in determining the tax rates applicable to its subsidiaries and identifying the temporary differences in each such legal subsidiary in respect of which deferred income taxes are recognized. Deferred taxes relate to temporary differences arising from its subsidiaries and are measured based on tax rates that are expected to apply in the year when the asset is realized, or the liability is settled. Temporary differences are differences that are expected to reverse in the future and arise from differences between accounting and tax asset values. The Fund's estimate of deferred taxes is based on the assumption that the Fund's liquidating event occurs either through a direct sale of the investment properties or through a disposition of its ownership interests in its U.S. subsidiaries. Should the Fund's liquidating event occur through a sale of the Units, the estimated deferred taxes would not be incurred by the Fund.

(e) **Carried interest:** The determination by the Fund as at each statement of financial position date as to whether a provision for carried interest should be recognized to the partners of SICPP is based, among other criteria, on the Fund's analysis of the net liabilities attributable to Unitholders, distributions paid to Unitholders since the formation of the Fund and the Fund's ability to meet the requirement to return the initial investment amount contributed from the Unitholders of the Fund and the Minimum Return.

(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, 2024). In making this determination, it considered the relationships between the Fund, the Manager, and the significant subsidiaries including ownership interests, voting rights and management agreements. Through this analysis, it was determined that the Manager is an agent of the Fund.

FUTURE ACCOUNTING POLICY CHANGES

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

RISKS AND UNCERTAINTIES

There are certain risks inherent in an investment in the Units of the Fund and activities of the Fund. Risks and uncertainties are disclosed in the Fund's MD&A for the year ended December 31, 2024 and is available at www.sedarplus.ca. Current and prospective investors of the Fund should carefully consider such risk factors. Other than set out or contemplated herein, management is not aware of any significant changes in the risk and uncertainties since February 14, 2025, the date of the Fund's MD&A for the year ended December 31, 2024.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

All control systems have inherent limitations, including well-designed and operated systems. No control system can provide complete assurance that the objectives of the control system will be met. Furthermore, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, will be detected or prevented. These inherent limitations include, without limitation, the possibility that management's assumptions and 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.

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SUBSEQUENT EVENTS

On November 25, 2025, the Fund announces the Final Distribution on its outstanding Units, payable to holders of Units of record at December 15, 2025. The final distribution amounts are estimated as outlined below and are expected to be paid on December 18, 2025 with all issued and outstanding Units being cancelled in exchange for such distribution in connection with the Dissolution on December 18, 2025. Subsequent to the Final Distribution, Unitholders will have been deemed to have liquidated their interest in the Fund with no remaining net assets being retained by the Fund, other than those to finalize payment of any remaining wind-up or dissolution costs. The Final Distribution amounts will be approximately as follows, subject to prevailing foreign exchange rates:

- C\$0.2685 per class A Unit
- C\$0.3184 per class C Unit
- C\$0.2685 per class D Unit
- US\$0.2779 per class E Unit
- C\$0.2970 per class F Unit
- US\$0.2500 per class G Unit
- US\$0.2500 per class U Unit

Conversions between classes of the Fund's units will cease on December 15, 2025 in order to facilitate the Final Distribution.

TSXV has advised the Fund that it has determined to implement its "due bill" trading procedures with respect to the Final Distribution. Due bills attach to the underlying listed securities between the record date and the payment date, allowing the underlying listed securities to carry the value of the entitlement until it is paid. When due bills are used, the ex-distribution date is deferred to the first trading day after the payment date.

For trading purposes, due bills will attach to the units from the opening of business on the record date of December 15, 2025, until the close of business on the December 18, 2025 payment date (the "Due Bill Period"). This means that buyers of the units through the facility of the TSXV during the Due Bill Period will receive the Final Distribution payment, provided they continue to be holders of the applicable units on the payment date.

The class A units and class U units are then expected to be delisted from the TSXV effective as of the close of trading on or about December 18, 2025 and the Fund will cease to be a reporting issuer in each of the provinces of Canada in which it was a reporting issuer thereafter. The due bill redemption date will be December 19, 2025. As a result of the units trading on a due bill basis during the Due Bill Period, Unitholders entitled to be paid the Final Distribution owing on the due bills should expect to receive that payment on or about the due bill redemption date of December 19, 2025. Unitholders prior to the Due Bill Period who do not purchase or sell units during the Due Bill Period will not have their applicable Final Distribution payment impacted by the due bill process.

The final T5013 tax slip for the Fund is expected to be issued by no later than March 31, 2026 and is expected to include a U.S. source capital loss allocated to investors on a pro-rata basis. The capital loss will reduce the adjusted cost base of Units held by investors. Furthermore, investors who acquired Units as part of the Offering of the Fund and have held them since such date are expected to trigger a capital loss if such Units are held until the Final Distribution is received. Each investor should consult with their tax advisor to assess their ability to utilize any such losses incurred or allocated. The Fund is not providing any tax advice to investors.

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

Dated: November 25, 2025

Toronto, Ontario, Canada



Starlight U.S. Multi-Family (No.2) Core Plus Fund

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