

# STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND ANNOUNCES Q1-2026 OPERATING RESULTS INCLUDING SAME PROPERTY NOI GROWTH OF 5.0%

**Toronto – May 20, 2026** – Starlight Western Canada Multi-Family (No. 2) Fund (the “Fund”) announced today its results of operations and financial condition for the three months ended March 31, 2026 (“Q1-2026”). Certain comparative figures are included for the Fund’s financial and operational performance as at December 31, 2025 and for the three months ended March 31, 2025 (“Q1-2025”).

All amounts in this press release include amounts attributable to any non-controlling interests and are in thousands of Canadian dollars except for average monthly rent (“AMR”)<sup>1</sup>, or unless otherwise stated.

*“We are pleased with the strength of performance during the quarter which achieved same property net operating income growth of 5.0%” commented Neil Fischler, Executive Vice President. “Management continues to focus on its active management strategy for the properties to maximize the unitholders value.”*

## Q1-2026 HIGHLIGHTS

- The Fund achieved AMR growth of approximately 3.9% between Q1-2025 and Q1-2026 including the impact of acquisition of Starlight Western Canada Multi-Family Limited Partnership (“SW1”) properties during fourth quarter of 2025. The growth continues to be driven by sustained demand for multi-family suites and overall immigration levels in Canada and in particular, Vancouver Island and the mainland of the Province of British Columbia (“BC”) (collectively, the “Primary Markets”).
- Revenue from property operations and net operating income (“NOI”)<sup>1</sup> for Q1-2026 were \$8,642 and \$6,029 (Q1-2025 - \$5,460 and \$3,797), respectively, representing an increase in revenue and NOI of 58.3% and 58.8%, respectively, primarily due to the difference in the number of properties owned between the two periods (“Primary Variance Driver”).
- Same property net operating income (“Same Property NOI”)<sup>1</sup> for Q1-2026 was \$3,987 (Q1-2025 - \$3,797), representing an increase of \$190 or 5.0% relative to Q1-2025 driven primarily by strong AMR growth and reductions in same property operating costs.
- The Fund reported physical occupancy<sup>1</sup> of 94.9% for the fifteen multi-family properties owned (the “Properties”) as at March 31, 2026.
- The Fund reported a net loss and comprehensive loss for Q1-2026 of \$183 (Q1-2025 - income of \$245). The income in Q1-2025 was primarily driven by non-recurring non-cash items in Q1-2025.
- The Fund had approximately \$33,578 of available liquidity as at March 31, 2026, including \$20,000 of availability under the Fund’s credit facilities.
- As at May 19, 2026, the Fund had collected approximately 98.7% of rents for Q1-2026, with further amounts expected to be collected in future periods, demonstrating the Fund’s high quality resident base and operating performance.
- Adjusted funds from operations (“AFFO”)<sup>1</sup> for Q1-2026 was \$1,895 (Q1-2025 - \$979), representing an increase of \$916 or 93.6% relative to Q1-2025, primarily due to the increase in NOI described above, partially offset by higher fund and trust expenses and finance costs as a result of Primary Variance Driver.

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



## FINANCIAL CONDITION AND OPERATING RESULTS

Highlights of the financial and operating performance of the Fund as at March 31, 2026 and for Q1-2026, including a comparison to March 31, 2025 and Q1-2025, as applicable, are provided below:

	March 31, 2026	December 31, 2025
<b>Key multi-family operational information</b>		
Number of multi-family properties owned	15	15
Total multi-family suites	1,413	1,413
Economic occupancy <sup>(1)(2)</sup>	90.1%	91.8%
Physical occupancy <sup>(1)</sup>	94.9%	94.8%
AMR (in actual dollars)	\$ 2,105	\$ 2,100
AMR per square foot (in actual dollars)	\$ 2.65	\$ 2.64
<b>Selected financial information</b>		
Gross book value <sup>(2)</sup>	\$ 639,500	\$ 639,400
Indebtedness <sup>(2)</sup>	\$ 409,205	\$ 410,899
Indebtedness to gross book value <sup>(2)</sup>	64.0%	64.3%
Weighted average interest rate - as at period end <sup>(3)</sup>	2.92%	2.92%
Weighted average loan term to maturity	3.89 years	4.14 years
	<b>Q1-2026</b>	<b>Q1-2025</b>
<b>Summarized income statement</b>		
Revenue from property operations	\$ 8,642	\$ 5,460
Property operating	(1,920)	(1,243)
Property taxes	(693)	(420)
Adjusted income from operations / NOI	6,029	3,797
Fund and trust expenses	(956)	(526)
Finance costs <sup>(4)</sup>	(3,442)	(2,575)
Other income and expense <sup>(5)</sup>	(1,814)	(451)
Net (loss) income and comprehensive (loss) income	\$ (183)	\$ 245
<b>Other selected financial information</b>		
Funds from operations ("FFO") <sup>(2)</sup>	\$ 1,631	\$ 696
FFO per Unit - basic and diluted <sup>(6)</sup>	0.08	0.05
AFFO	1,895	979
AFFO per Unit - basic and diluted <sup>(6)</sup>	0.09	0.08
Weighted average interest rate - average during period	2.92%	3.27%
Interest coverage ratio <sup>(2)</sup>	1.71x	1.51x
Indebtedness coverage ratio <sup>(2)</sup>	1.09x	1.03x
Distributions <sup>(6)</sup>	\$ 1,624	\$ 1,132
Weighted average Units outstanding - basic and diluted (000s) <sup>(6)</sup>	21,317	12,942

<sup>(1)</sup> Economic occupancy for Q1-2026 and Q4-2025 and physical occupancy as at the end of each applicable reporting period. The Fund's economic occupancy for Q1-2026 was 90.1% including the impact of any concessions to residents and is presented as an average throughout the reporting period. Physical occupancy as at the end of the period was 94.9% as the Fund focused on increasing the physical occupancy at the Properties.

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

<sup>(3)</sup> The weighted average interest rate on loans payable is presented as at March 31, 2026 and December 31, 2025, respectively.

<sup>(4)</sup> Finance costs include interest expense on loans payable as well as non-cash amortization of deferred financing costs and other financing costs.

<sup>(5)</sup> Includes distributions to Unitholders, fair value adjustment of investment properties and provision for carried interest

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

## NON-IFRS FINANCIAL MEASURES AND RECONCILIATIONS

The Fund's condensed consolidated interim financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS"). Certain terms that may be used in this press release such as AFFO, AMR, adjusted net income and comprehensive income, cash provided by operating activities including interest costs, economic occupancy, physical occupancy, FFO, gross book value, indebtedness, indebtedness coverage ratio, indebtedness to gross book value, interest coverage ratio, NOI and Same Property NOI (collectively, the "Non-IFRS Measures") as well as other measures discussed elsewhere in this press release, are not measures



defined under IFRS as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures as reported by other issuers. The Fund uses these measures to better assess its underlying performance and provides these additional measures so that investors may do the same. Information on the most directly comparable IFRS measures, composition of the Non-IFRS Measures, a description of how the Fund uses these measures, and an explanation of how these Non-IFRS Measures provide useful information to the investors are set out in the Fund's management's discussion and analysis ("MD&A") in the "Non-IFRS Financial Measures" section for Q1-2026 and are available on the Fund's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), which is incorporated by reference into this press release.

A reconciliation of the Fund's interest coverage ratio and indebtedness coverage ratio are provided below:

Interest and indebtedness coverage ratio	Q1-2026	Q1-2025
Net (loss) income and comprehensive (loss) income	\$ (183)	\$ 245
Add: non-cash or one-time items and distributions <sup>(1)</sup>	2,148	781
Adjusted net income and comprehensive income <sup>(2)</sup>	1,965	1,026
Interest coverage ratio <sup>(3)</sup>	1.71x	1.51x
Indebtedness coverage ratio <sup>(4)</sup>	1.09x	1.03x

<sup>(1)</sup> Non-cash or one-time items consist of amortization of deferred financing costs, fair value adjustment on investment properties, interest income and provision for carried interest.

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

<sup>(3)</sup> Interest coverage ratio is calculated as adjusted net (loss) income and comprehensive (loss) income plus interest expense, divided by interest expense.

<sup>(4)</sup> Indebtedness coverage ratio is calculated as adjusted net (loss) income and comprehensive (loss) income plus interest expense, divided by interest expense and mandatory principal payments on the Fund's loans payable for a specific reporting period.

For Q1-2026, the interest coverage ratio and the indebtedness coverage ratio were 1.71x and 1.09x (Q1-2025 - 1.51x and 1.03x), respectively. The increase in both ratios during Q1-2026 relative to Q1-2025 was primarily due to higher NOI as well as the impact of lower interest rates on variable debt and the increase to the proportion of the Fund's fixed rate debt.

## CASH PROVIDED BY OPERATING ACTIVITIES RECONCILIATION TO FFO and AFFO

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

Basic and diluted AFFO and AFFO per Unit for Q1-2026 were \$1,895 and \$0.09, respectively (Q1-2025 - \$979 and \$0.08), representing an increase in AFFO of \$916 or 93.6% and an increase in AFFO per Unit of \$0.01 relative to Q1-2025, primarily due to an increase in NOI as a result of the Primary Variance Driver.

A reconciliation of the Fund's cash provided by operating activities determined in accordance with IFRS to FFO and AFFO for Q1-2026 and Q1-2025 is provided below:

	Q1-2026	Q1-2025
<b>Cash provided by operating activities</b>	\$ 3,949	\$ 3,101
Less: interest and finance costs	(3,108)	(2,245)
<b>Cash provided by operating activities - including interest costs<sup>(1)</sup></b>	<b>841</b>	<b>856</b>
Add / (deduct):		
Change in non-cash operating working capital	1,177	206
Change in restricted cash	(53)	(36)
Amortization of financing costs	(334)	(330)
<b>FFO</b>	<b>1,631</b>	<b>696</b>
Add / (deduct):		
Amortization of financing costs	334	330
Sustaining capital expenditures and suite renovation reserves	(70)	(47)
<b>AFFO</b>	<b>\$ 1,895</b>	<b>\$ 979</b>

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



The Fund's cash provided by operating activities including interest and finance costs for Q1-2026 was \$841 (Q1-2025 - \$856), which was lower than distributions declared to Unitholders by \$783 (Q1-2025 - \$276). The Fund covers any shortfall between cash provided by operating activities including interest and finance costs and distributions using cash generated from operating activities of the Fund in certain periods where applicable, or through cash on hand, including any proceeds from financing activities as applicable or availability on the Fund's credit facilities.

## **FUTURE OUTLOOK**

Since 2022, concerns over rising inflation contributed to a significant increase in interest rates with the Bank of Canada raising its target interest rate from 0.25% in early 2022 to 5.0% as of first quarter of 2024. Increases in target interest rates typically lead to increases in borrowing costs. Inflation in Canada has declined from its peak in June 2022 of 8.1% to 2.4% in March 2026 with improvements in global supply chains and the effects of higher interest rates moving through the economy. As a result, the Bank of Canada has reduced its target interest rate by a total of 275 basis points since June 2024, bringing it down to 2.25% as of May 20, 2026.

The Fund benefits from the availability of Canada Mortgage and Housing Corporation insured financing to the Canadian residential sector, which provided a stable, competitively priced source of financing. Operating fundamentals continue to be favorable as evidenced by the operating results achieved by the Fund and the Fund has made steady progress in mitigating the significant increases in interest rates by increasing the amount of fixed rate debt to 91.7% of its total debt as at March 31, 2026. This capital structure is intended to support cash flow stability and mitigate exposure to future interest rate volatility.

Economic conditions in BC, including Vancouver Island and the Coast Region remain relatively stable, though signs of moderation are emerging. According to Statistics Canada, the March 2026 unemployment rate in Canada and the Primary Markets was 6.7%. BC employment declined modestly over the first quarter of 2026, with the province recording the largest employment decrease among provinces in March, reflecting broader trade-related uncertainties and softer conditions in service-producing industries. While employment conditions have softened, economic activity is expected to remain uneven, particularly as elevated borrowing costs and trade-related uncertainties continue to weigh on businesses across the Primary Markets and Canada.

Population growth has historically supported rental demand; however, immigration targets have been revised downward. Immigration, Refugees and Citizenship Canada ("IRCC") has stabilized permanent resident admissions at approximately 380,000 annually for 2026 through 2028, while significantly reducing new temporary resident arrivals. While this may moderate the pace of population growth relative to prior years, underlying demand for rental housing is expected to remain supported by affordability constraints in the homeownership market and limited new housing supply.

Throughout 2025, the United States imposed tariffs on steel, aluminum and other imported components, with additional trade measures continuing between Canada, the United States and other jurisdictions. These factors have contributed to higher construction and renovation costs for multi-family projects in Canada and the Fund's primary markets. In addition, geopolitical conflicts have led to volatility in global energy markets, which may place upward pressure on oil prices and contribute to inflationary pressures in Canada, potentially impacting development and operating costs.

While recent interest rate reductions by the Bank of Canada have improved borrower sentiment and affordability, the timing and extent of further changes remain uncertain due to labour market conditions, evolving economic factors and potential trade developments. Notwithstanding these uncertainties, management does not expect these factors to have a material adverse impact on the Fund's operating results, as affordability constraints, limited housing supply and slowing new construction are expected to support demand for multi-family rental housing. The Fund will continue to monitor these developments and adjust its strategy as appropriate.

Looking forward through 2026, the Fund expects to maintain stable occupancy and operating performance across its portfolio of high quality multi-family investment properties, supported by continued rental demand in the Primary Markets and the limited supply of multi-family housing. These factors are expected to support the Fund's overall operating results.



Further disclosure surrounding the Future Outlook is included in the Fund's MD&A in the "Future Outlook" section for Q1-2026 under the Fund's profile, which is available on [www.sedarplus.ca](http://www.sedarplus.ca).

## **FORWARD-LOOKING STATEMENTS**

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

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

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

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



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

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

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

The Fund is a trust formed under the laws of Ontario for the primary purpose of indirectly acquiring, owning and operating a portfolio of income producing multi-family rental properties located in BC. The Fund has interests in and operates a portfolio comprising interests in 1,413 income producing multi-family suites located in the Primary Markets.

For the Fund’s complete condensed consolidated interim financial statements and MD&A for the three months ended March 31, 2026 and any other information related to the Fund, please visit [www.sedarplus.ca](http://www.sedarplus.ca). Further details regarding the Fund’s unit performance and distributions, market conditions where the Fund’s properties are located, performance by the Fund’s properties and a capital investment update are also available in the Fund’s May 2026 Newsletter which is available on the Fund’s profile at [www.starlightinvest.com](http://www.starlightinvest.com).

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

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