Starlight U.S. Residential Fund Provides Update

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Toronto – **July 17, 2025** – Starlight U.S. Residential Fund (TSXV: SURF.A) (TSXV: SURF.U) (the "**Fund**") announced the successful completion of a one-year extension maturing June 1, 2026 of the loan secured by the Fund's Sunlake Apartments property, a 268-suite Class "A" institutional quality multi-family property built in 2021 and located at 2700 Summershine St., Land O' Lakes, Florida 34638 ("**Sunlake**") (the "**Extension**"). Per the terms of the Extension, the loan is subject to certain conditions during the remaining loan term and bears interest-only payments at a fixed rate of 8.56% per annum with any debt service shortfall, as defined therein, being accrued and deferred until maturity.

The Fund also previously announced that certain extension conditions for the loans secured by the Emerson at Buda property, a 304-suite Class "A" institutional quality multi-family property built in 2021 and located at 950 FM2001, Buda, Texas 78610 ("**Buda**" or the "**Property**"), were not achieved as of the initial maturity date of April 9, 2025. The Fund was pursuing good faith negotiations with the lenders to obtain a modification and extension of the loans secured respectively by the Property and by a pledge of the ownership interests (the "**Pledged Interests**"), in the entity that owns the Property. However, the Fund has now received a formal notice of an event of default (the "**Notice**") from one of the lenders (the "**Lender**") of the loans payable secured by the Pledged Interests.

The Notice received expresses the Lender's right to demand repayment of the borrowings secured by the Pledged Interests. In the absence of a negotiated modification and extension of such loan, the Lender has the right to exercise the remedies available to it under the loan agreement, including a foreclosure of the of the Pledged Interests. If that remedy is exercised, the Lender would be able to foreclose on the Pledged Interests through a foreclosure sale process governed by the Uniform Commercial Code, resulting in the conveyance of the Pledged Interests to Lender, its designee or a third party purchaser at the foreclosure sale, with the proceeds of the sale applied to amounts owed to Lender under the loan. As at the date hereof, the Lender has not exercised any such remedies, however the Fund expects that the Lender may proceed with a foreclosure of the Pledged Interests as a result of having delivered the Notice. The loans secured by Buda do not carry cross-default provisions with any other property in the Fund. The Fund does not expect a material impact on its net asset value (as set out in the Management's Discussion and Analysis for the three months ended March 31, 2025) as a result of any remedies the lender may exercise.

For additional information on the risks related to the Fund's ability to refinance or extend a loan at maturity, please refer to "Future Outlook" and "Liquidity and Capital Resources" in the Fund's Management's Discussion and Analysis for the three months ended March 31, 2025, which is available under the Fund's profile on www.sedarplus.com.

FORWARD-LOOKING STATEMENTS

This news release contains statements that may constitute forward-looking statements within the meaning of Canadian securities laws and which reflect the Fund's current expectations regarding future events, including the potential that the Lender exercises its remedies, a potential foreclosure of the Property, the proceeds from any sale of the Property and the impact on the Fund's net asset value. In some cases, forward-looking statements can be identified by terms such as "may", "might", "will",

"could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

The forward-looking statements in this news release involve risks and uncertainties, including those set forth in the Fund's materials filed with the Canadian securities regulatory authorities from time to time at www.sedarplus.com. Actual results could differ materially from those projected herein. Those risks and uncertainties include, among other things, risks disclosed in the Fund's management's discussion and analysis for the year ended December 31, 2024 and three months ended March 31, 2025, which is available under the Fund's profile on www.sedarplus.com.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in developing such forward-looking statements 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 that the net proceeds from the transaction will be used as described herein; Readers are cautioned against placing undue reliance on forward-looking statements. Except as required by applicable Canadian securities laws, none of the Fund or its manager undertake any obligation to update or revise publicly any forward-looking statements, whether as a result 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 U.S. RESIDENTIAL 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 and single family residential rental properties in the U.S. residential real estate market located primarily in Arizona, California, Colorado, Florida, Georgia, Idaho, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah and Washington. The Fund now has interests in and operates a portfolio comprising interests in 1,597, Class "A" stabilized, income producing multi-family residential suites located in Tampa, Florida, Orlando, Florida, Austin, Texas, Phoenix, Arizona and Raleigh, North Carolina.

ABOUT STARLIGHT INVESTMENTS

Starlight Investments is a leading global real estate investment and asset management firm headquartered in Toronto, Ontario, Canada. A privately held owner, developer and asset manager of over 70,000 multi-residential suites and over 7 million square feet of commercial property space with CAD $30B AUM, Starlight offers a range of investment vehicles across various real estate strategies. Starlight's guiding mission is to balance its tenure with visionary curiosity to create positive impact for investors and communities alike. At Starlight, we invest with impact.
Learn more at www.starlightinvest.com or connect with us on LinkedIn.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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