

# STARLIGHT U.S. RESIDENTIAL FUND ANNOUNCES CLOSING TIMELINE FOR REORGANIZATION TRANSACTION

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**Toronto – December 11, 2025** – Starlight U.S. Residential Fund (TSXV: SURF.A and SURF.U) (the “**Fund**”) announced today the proposed reorganization transaction for the Fund (the “**Reorganization**”) has been approved to proceed by regulatory authorities and unitholders of the Fund (“**Unitholders**”) pursuant to the Unitholder vote which took place on December 10, 2025. The Fund expects the Reorganization to close on December 23, 2025 (the “**Reorganization Date**”) as outlined in the closing timelines below with the Fund having obtained the necessary approvals to complete such reorganization, with the exception of the required approval from a lender of the Fund, which is expected to be received imminently and prior to the Reorganization Date.

Pursuant to the approved terms of the Reorganization, Unitholders will receive limited partnership units of Starlight U.S. Residential Fund (Multi-Family) Investment LP (“**SURF LP**”), with each Unitholder receiving C\$ denominated Class A units of SURF LP (“**LP Units**”) based on the applicable exchange ratios defined below. The record date for the conversion of existing Fund classes of units (“**Units**”) to LP Units pursuant to the Reorganization will be December 18, 2025 (“**Record Date**”). The final exchange ratios that will be used in converting existing Units to LP Units are outlined below.

Class of Units	Current # of Units Outstanding	Exchange Ratio <sup>(1)</sup>	Final Total of SURF LP Units
Class A	3,401,547	1.000000	3,401,547
Class C	3,425,750	1.055410	3,615,571
Class D	12,267,811	1.000000	12,267,811
Class F	5,282,021	1.031660	5,449,250
Class I	3,500,000	1.055410 + Class I Management Fee Reduction Amount	4,459,004 <sup>(2)</sup>
Class E	658,800	1.289761	849,695
Class G	1,429,785	1.25018	1,787,489
Class U	602,377	1.25018	753,080
<b>Total</b>	<b>30,568,091</b>		<b>32,583,447</b>

(1) The exchange ratio for Class E, Class G and Class U units includes a foreign currency factor based on the USD/CAD exchange rate at the time of closing of the Fund's initial public offering of 1.25018.

(2) The existing Class I Units of the Fund were previously entitled to receive an additional distribution on termination of the Fund equal to the accrued management fee reduction associated with the Class I Units (the “Class I Management Fee Reduction Amount”). Pursuant to the Reorganization, the outstanding Class I Management Fee Reduction Amount of C\$395,700 is being settled in additional SURF LP units, in the amount of 765,069 SURF LP units.

Pursuant to the Reorganization, (i) the “carried interest” entitlements of Starlight Group and the President of the Fund in the Fund structure will be cancelled, (ii) the legacy entities from the Fund's former single-family residential holding structure which currently does not own any assets and does not generate any revenue will be dissolved, and (iii) the Fund entity will be dissolved and terminated. The limited partnership agreement of SURF LP (“**LPA**”) will be amended and restated on the Reorganization Date to reflect, where applicable, the terms of the Fund's existing declaration of trust and SURF LP will become a reporting issuer with the LP Units trading on the TSXV, subject to final TSXV acceptance, under ticker “SURF.UN”. In addition, LPA will be amended for the term of SURF LP to expire on November 22, 2029, being three years from the current expiry of the Fund in November 22, 2026.

Conversions between existing classes of Units of the Fund will be halted at close of business on December 18, 2025. The TSX Venture Exchange (the “**TSXV**”) has advised the Fund that it has determined to implement its “due bill” trading procedures with respect to the Reorganization. Due bills attach to the underlying listed securities

between the Record Date and the Reorganization date, allowing the underlying listed securities to carry the value of the entitlement until it is reorganized. When due bills are used, the ex-reorganization 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 (December 18, 2025), until the close of business on the Reorganization date (December 23, 2025) (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 LP Units, provided they continue to be holders of the applicable units on the Reorganization date. The payable date for the LP units will be December 23, 2025 assuming closing of the Reorganization as contemplated. The due bill redemption date will be December 24, 2025. As a result of the units trading on a due bill basis during the Due Bill Period, Unitholders entitled to be receiving LP Units on the due bills should expect to receive those LP Units on or about the due bill redemption date of December 24, 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 LP Units impacted by the due bill process.

Following dissolution of the Fund and redemption and cancellation of its existing Units, the existing class A units and class U units of the Fund are expected to be delisted from the TSXV effective as of the close of trading on or about December 23, 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 LP units are expected to be listed at the close of markets on December 23, 2025, and admission to trading of the LP units on the TSXV under the ticker symbol "SURF.UN" is expected to commence on December 24, 2025 at the open of the market, subject to TSXV acceptance. SURF LP is expected to be admitted to the TSXV as a "Tier 2" issuer.

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 initial public 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 Reorganization Date as a result of the Units being deemed to have been disposed in exchange for LP Units. Each investor should consult with their tax advisor to assess their ability to utilize any such losses incurred or allocated. For purposes of calculating any such loss on disposition of the Fund Units, the proceeds of disposition of such Unit would typically be considered to be the Fund's trading price where applicable. As a result, the proceeds of disposition typically would be: i) for Class A Units of the Fund, the Class A Unit trading price on the date of the Reorganization Date ("Class A Fair Value"); ii) for other unlisted classes of Canadian dollar denominated Units (Class C,D,F,I), the Class A Fair Value adjusted for the exchange ratio between Class A and the applicable unlisted unit class; iii) for Class U Units of the Fund, the Class U Unit trading price on the date of the Reorganization Date ("Class U Fair Value"); and iv) for other unlisted classes of United States dollar denominated Units (Class E,G), the Class U Fair Value adjusted for the exchange ratio between Class U and the applicable unlisted unit class. The Fund is not providing any tax advice to investors and investors are encouraged to speak to a tax advisor.

## **UPDATE ON FINANCING**

As a result of the Reorganization, all outstanding indebtedness of the operating subsidiaries of the Fund as at the Reorganization Date remain in place for SURF LP with terms and conditions consistent with those previously disclosed by the Fund. The Fund also modified the terms of its credit facility to effectively transfer the credit facility to SURF LP with all other terms and conditions remaining consistent with those previously disclosed including the availability of up to \$2,395.

## **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 statements relating to the Reorganization, the expected closing date for the Reorganization, and the benefits of the Reorganization to Unitholders generally. 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 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, but are not limited to: the occurrence of any event, change or other circumstances that could give rise to the termination of the Agreement; the outcome of any legal proceedings that may be instituted against the Fund related to the Agreement; the disruption of management's attention from the Fund's ongoing business operations due to the Reorganization; the effect of the closing of the Reorganization on the Fund's relationships with its customers, lenders, operating results and business generally; unexpected expenses that arise prior to closing of the Reorganization; the effects of local and national economic, credit and capital market conditions, including changes in interest rates, foreign exchange rates, government regulations or in tax laws; and other risk factors described in the Fund's continuous disclosure materials from time to time, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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.

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 U.S. RESIDENTIAL FUND**

The Fund is a "closed-end" trust formed under and governed by the laws of the Province of Ontario, pursuant to a declaration of trust dated September 23, 2021, as amended and restated. The Fund was established for the primary purpose of directly or indirectly acquiring, owning and operating a portfolio primarily composed of income-producing residential properties in the Fund's target metrics or that can achieve significant increases in rental rates as a result of undertaking high return, value-add capital expenditures and active asset management. The Fund currently owns interests in three multi-family properties consisting of 1,029 suites.

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-](https://www.linkedin.com/company/starlight-investments-ltd-).

### **Evan Kirsh**

President

Starlight U.S. Residential Fund

+1-647-725-0417

[ekirsh@starlightus.com](mailto:ekirsh@starlightus.com)

### **Martin Liddell**

Chief Financial Officer

Starlight U.S. Residential Fund

+1-647-729-2588

[mliddell@starlightinvest.com](mailto:mliddell@starlightinvest.com)

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