

STARLIGHT U.S. RESIDENTIAL FUND ANNOUNCES Q3-2025 OPERATING RESULTS

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Toronto – November 25, 2025 – Starlight U.S. Residential Fund (TSXV: SURF.A and SURF.U) (the “Fund”) announced today its results of operations and financial condition for the three months ended September 30, 2025 (“Q3-2025”) and nine months ended September 30, 2025 (“YTD-2025”). Certain comparative figures are included for the Fund’s financial and operational performance as at December 31, 2024, for the three months ended September 30, 2024 (“Q3-2024”) and for the nine months ended September 30, 2024 (“YTD-2024”).

All amounts in this press release are in thousands of United States (“U.S.”) dollars except for average monthly rent (“AMR”)¹, or unless otherwise stated. All references to “C\$” are to Canadian dollars.

“The Fund continues to own a high-quality, well diversified portfolio of multi-family communities and was able to extend certain of the Fund’s loans to provide more time to capitalize on any potential improvement in the real estate investment market,” commented Evan Kirsh, the Fund’s President. “The Fund continues to focus on maximizing the net operating income at the Fund’s remaining properties while navigating the current challenging capital markets environment and focusing on managing the Fund’s liquidity.”

FUND REORGANIZATION

Subsequent to September 30, 2025, the Fund entered into a reorganization agreement with Starlight Group Property Holdings Inc. (“Starlight Group”). Under the proposed reorganization all unitholders of the Fund (the “Unitholders”) will exchange their current units of the Fund for limited partnership units of Starlight U.S. Residential (Multi-Family) Investment L.P. (“MF Investment LP”). As part of the transaction, the Fund will be dissolved and MF Investment LP will become the successor entity with its limited partnership units listed on the TSX Venture Exchange. The reorganization is expected to be completed before the end of 2025 pending Unitholder approval, lender consents and regulatory acceptance (see “Subsequent Events”).

Q3-2025 HIGHLIGHTS

- Revenue from property operations for Q3-2025 was \$6,866 (Q3-2024 - \$9,849) representing a decrease of 30.3% in revenue due to the Fund completing the disposition of Lyric Apartments (“Lyric”) and Eight at East in Q2-2025 and Q3-2025, respectively and the remaining single-family properties (“SF Properties”) during 2024 (“Primary Variance Driver”) as well as a decrease in same property revenue of 3.4% primarily as a result of decreases in AMR due to the Fund competing with new supply in Austin and Phoenix.
- Net operating income (“NOI”)¹ for Q3-2025 was \$3,964 (Q3-2024 - \$6,228), representing a decrease of 36.4% in NOI primarily due to the Primary Variance Driver and reduction in same property NOI as a result of decreases in AMR due to the Fund competing with new supply at the Fund’s Austin and Phoenix properties.
- Same property NOI¹ for Q3-2025 was \$3,507 (Q3-2024 - \$3,877), representing a decrease of \$370 or 9.5% relative to Q3-2024. Excluding the Fund’s Austin and Phoenix properties which faced heavy competition from new supply and aggressive pricing to lease new properties as well as the impact of the anticipated property tax assessment increase in Raleigh which is based on a four year reassessment cycle, Q3-2025 normalized same property NOI would have been consistent with Q3-2024.
- The Fund reported a net loss and comprehensive loss attributable to Unitholders for Q3-2025 of \$317 (Q3-2024 - \$4,727), primarily due to higher fair value loss on investment properties during Q3-2024 due to the expansion of capitalization rates used to value the Fund’s investment properties, partially offset by lower NOI during Q3-2025 due to Primary Variance Driver.
- The Fund completed 18 in-suite light value-add upgrades at the multi-family properties (“MF Properties”) during Q3-2025, which generated an average rental premium of \$147 and an average return on cost of approximately 23.9%.

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 and Reconciliations”).



- The Fund achieved economic occupancy¹ of 92.7% during Q3-2025 and as at November 24, 2025, had collected approximately 99.4% of rents for Q3-2025, with further amounts expected to be collected in future periods, demonstrating the Fund's high quality resident base and operating performance.
- On August 12, 2025, the Fund completed the disposition of Eight at East for proceeds of \$64,700 and fully repaid the applicable first mortgage of \$64,225.
- On July 17, 2025, the Bainbridge Sunlake ("Sunlake") loan payable was extended by one-year to June 1, 2026. As 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 was pursuing good faith negotiations with the lenders of Emerson at Buda ("Emerson") loan payable to obtain a modification and extension of the loans secured respectively by the property and a pledge of the ownership interests ("Pledged Interests") in the entity that owned the property. However, during Q3-2025, the Fund received a formal notice of an event of default (the "Notice") from one of the lenders (the "Lender") secured by the Pledged Interests, demanding the repayment of the loan. As a result, subsequent to September 30, 2025, the foreclosure proceedings were finalized through a public auction which resulted in the transfer of ownership of Emerson to a third party (see "Subsequent Events").
- Subsequent to September 30, 2025, the Fund entered into a reorganization agreement with Starlight Group. Under the proposed reorganization all Unitholders will exchange their current units of the Fund for limited partnership units of MF Investment LP. As part of the transaction, the Fund will be dissolved and MF Investment LP will become the successor entity with its limited partnership units listed on the TSX Venture Exchange. The reorganization is expected to be completed before the end of 2025 pending Unitholder approval, lender consents and regulatory acceptance (see "Subsequent Events").

YTD-2025 HIGHLIGHTS

- Revenue from property operations for YTD-2025 was \$24,975 (YTD-2024 - \$29,878), representing a decrease of 16.4% relative to YTD-2024, primarily due to the Primary Variance Driver and a decrease of 3.4% in same property revenue primarily as a result of decreases in AMR due to the Fund competing with new supply at the Fund's Austin and Phoenix properties.
- NOI for YTD-2025 was \$14,882 (YTD-2024 - \$18,802), representing a decrease of 20.8% relative to YTD-2024. Excluding the Fund's Austin and Phoenix properties which faced heavy competition from new supply and aggressive pricing to lease new properties as well as the impact of the anticipated property tax assessment increase in Raleigh which is based on a four year reassessment cycle, YTD-2025 normalized same property NOI would have been consistent with YTD-2024.
- The Fund reported a net loss and comprehensive loss attributable to Unitholders for YTD-2025 of \$37,900 (YTD-2024 - \$19,007), primarily resulting from YTD-2025 reporting a higher fair value loss on investment properties than YTD-2024.
- The Fund completed 114 in-suite light value-add upgrades at the MF Properties during YTD-2025, which generated an average rental premium of \$105 and an average return on cost of approximately 24.6%.
- The Fund completed the disposition of Lyric on April 29, 2025 and used the proceeds to fully repay the outstanding loan payable secured by the property of \$86,697 and to fully repay the Fund's credit facility outstanding balance of \$13,605, which reduced the remaining availability on such credit facility to \$2,395. The remaining net proceeds from the sale were utilized for working capital and liquidity requirements of the Fund.



FINANCIAL CONDITION AND OPERATING RESULTS

Highlights of the financial and operating performance of the Fund as at September 30, 2025, for Q3-2025 and YTD-2025, including a comparison to December 31, 2024, Q3-2024 and YTD-2024, as applicable, are provided below:

	September 30, 2025	December 31, 2024		
Key multi-family operational information				
Number of multi-family properties owned ⁽¹⁾	4	6		
Total multi-family suites	1,333	1,973		
Economic occupancy ⁽²⁾	92.7%	93.3%		
Physical occupancy ⁽²⁾⁽³⁾	92.5%	93.8%		
AMR (in actual dollars) ⁽²⁾	\$ 1,505	\$ 1,591		
AMR per square foot (in actual dollars) ⁽²⁾	\$ 1.70	\$ 1.67		
Estimated gap to market versus in-place rents ⁽³⁾	4.0%	1.2%		
Selected financial information				
Gross book value ⁽³⁾	\$ 321,216	\$ 514,416		
Indebtedness ⁽³⁾	\$ 311,214	\$ 470,979		
Indebtedness to gross book value ⁽³⁾⁽⁴⁾	96.9%	91.6%		
Weighted average interest rate - as at period end ⁽⁵⁾	7.73%	6.10%		
Weighted average loan term to maturity ⁽⁶⁾	1.14 years	1.57 years		
	Q3-2025	Q3-2024	YTD-2025	YTD-2024
Summarized income statement (excluding non-controlling interest) ⁽⁶⁾				
Revenue from property operations	\$ 6,866	\$ 9,849	\$ 24,975	\$ 29,878
Property operating costs	(1,954)	(2,717)	(6,864)	(7,870)
Property taxes ⁽⁷⁾	(948)	(904)	(3,229)	(3,206)
Adjusted Income from Operations / NOI	3,964	6,228	14,882	18,802
Fund and trust expenses	(1,093)	(856)	(3,126)	(2,463)
Finance costs ⁽⁸⁾	(6,671)	(10,036)	(22,986)	(28,436)
Other income and expense ⁽⁹⁾	3,483	(63)	(26,670)	(6,910)
Net loss and comprehensive loss - attributable to unitholders ⁽⁶⁾	\$ (317)	\$ (4,727)	\$ (37,900)	\$ (19,007)
Other selected financial information				
Funds from operations ("FFO") ⁽³⁾	\$ (3,218)	\$ (2,507)	\$ (8,346)	\$ (5,938)
FFO per unit - basic and diluted	(0.10)	(0.08)	(0.26)	(0.19)
Adjusted funds from operations ("AFFO") ⁽³⁾	(1,157)	(1,013)	(3,384)	(2,987)
AFFO per unit - basic and diluted	(0.04)	(0.03)	(0.11)	(0.09)
Weighted average interest rate - average during period ⁽⁵⁾	7.54%	5.85%	7.26%	5.92%
Interest and indebtedness coverage ratio ⁽³⁾⁽¹⁰⁾	0.76x	0.84x	0.80x	0.84x
Weighted average units outstanding - basic and diluted (000s)	31,818	31,818	31,818	31,818

⁽¹⁾ On April 29, 2025 and August 12, 2025, the Fund completed the disposition of Lyric and Eight at East, respectively and subsequent to September 30, 2025, the Fund completed the disposition of Emerson (see "Subsequent Events").

⁽²⁾ Economic occupancy for Q3-2025 and December 31, 2024 and physical occupancy as at the end of each applicable reporting period. The decrease in AMR from December 31, 2024 to Q3-2025 was primarily due to the Fund focusing on maintaining high levels of occupancy at the MF Properties during Q3-2025 as well as the Fund competing with new supply in certain primary markets. The increase in AMR per square foot for the same period is due to the reduction in number of suites resulting from the disposition of Lyric and Eight at East.

⁽³⁾ 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 decrease in AFFO, interest coverage ratio and indebtedness coverage ratio from Q3-2024 to Q3-2025 is primarily due to decrease in NOI as a result of the Primary Variance Driver, partially offset by the impact of accrued interest costs added back to AFFO. The AFFO, interest coverage ratio and indebtedness coverage ratio presented herein exclude \$1,784 and \$3,822 of interest costs or debt service shortfall funding for Q3-2025 and YTD-2025 (Q3-2024 and YTD-2024 - \$1,015 and \$1,497) from applicable lenders which are payable upon maturity of the applicable loan payable.

⁽⁴⁾ The maximum allowable leverage ratio under the Declaration of Trust restricts the Fund from entering into any additional indebtedness whereby at the time of entering into such indebtedness, the leverage ratio does not exceed 75% (as defined in the Declaration of Trust). As of the date of issuance of this press release, the Fund met the maximum leverage condition and continues to focus on managing the Fund's capital structure, including the overall leverage.

⁽⁵⁾ The weighted average interest rate on loans payable is presented as at September 30, 2025 reflecting the prevailing index rate, 30-day New York Federal Reserve Secured Overnight Financing Rate ("NY SOFR") or one-month term Secured Overnight Financing Rate ("Term SOFR" and together with NY SOFR, "SOFR"), as at that date or based on the average rate for the applicable periods as it relates to quarterly rates. The weighted average interest rate presented above as at September 30, 2025 included the maximum interest rate on the unsecured financing of 12.00% and also included the impact of deferred interest costs or deferred debt service shortfall funding. The increase in the weighted average interest rate between the comparative periods in the table above was primarily due to the Fund extending certain higher leverage loans with no required principal repayments at higher interest rates. In addition, the increase was as a result of the Fund no longer requiring to purchase the Sunlake interest rate cap. The Fund continues to focus on managing these debt maturities to provide an opportunity to potentially capitalize on any improvements in the real estate investment market.

⁽⁶⁾ The Fund acquired a 90% interest in The Ventura ("Ventura") on May 25, 2022, with the remaining non-controlling interest owned by an affiliate of the Starlight Investments US AM Group LP or its affiliates (the "Manager"). The summarized income statement figures presented above reflect the net loss attributable to Unitholders only, and excludes any amounts attributable to the non-controlling interest.

⁽⁷⁾ 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.

⁽⁸⁾ Finance costs include interest expense on loans payable, non-cash amortization of deferred financing, loss on early extinguishment of debt and fair value changes in derivative financial instruments.

⁽⁹⁾ Includes dividends to preferred shareholders, unrealized foreign exchange gain (loss), realized foreign exchange gain (loss), fair value adjustment of investment properties and deferred income taxes.

⁽¹⁰⁾ The Fund's interest coverage ratio and indebtedness coverage ratio were both 0.76x and 0.80x during Q3-2025 and YTD-2025, with the Fund's operating results offset by increases in the Fund's interest costs as a result of the Fund utilizing a variable rate debt strategy which allows the Fund to maintain maximum flexibility for the potential sale of the Fund's properties at the end of, or during, the Fund's term. These calculations exclude \$1,784 and \$3,822 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. The Fund also had fixed rate debt in place as at September 30, 2025 which in certain instances protect the Fund from increases SOFR beyond stipulated levels on its mortgages at the properties. The Fund continues to monitor interest coverage ratio and indebtedness coverage ratio with the goal of preserving liquidity.



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, estimated gap in market versus in-place rents, FFO, gross book value, indebtedness, indebtedness coverage ratio, indebtedness to gross book value, interest coverage ratio, same property NOI and 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 financial position 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 Q3-2025 and are available on the Fund's profile on SEDAR+ at 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	Q3-2025	Q3-2024	YTD-2025	YTD-2024
Net loss and comprehensive loss - attributable to unitholders	\$ (317)	\$ (4,727)	\$ (37,900)	\$ (19,007)
Add / (deduct): non-cash or one-time items and distributions ⁽¹⁾	(3,134)	2,663	29,692	14,526
Adjusted net loss and comprehensive loss ⁽²⁾	(3,451)	(2,064)	(8,208)	(4,481)
Interest and indebtedness coverage ratio ⁽³⁾⁽⁴⁾⁽⁵⁾	0.76x	0.84x	0.80x	0.84x

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

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

⁽⁴⁾ Indebtedness coverage ratio is calculated as adjusted net loss and comprehensive loss plus interest expense, divided by interest expense and mandatory principal payments on the Fund's loans payable.

⁽⁵⁾ These calculations exclude \$1,784 and \$3,822 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.

For Q3-2025 and YTD-2025, the interest coverage ratio and the indebtedness coverage ratio were both 0.76x and 0.80x (Q3-2024 and YTD-2024 - 0.84x and 0.82x) respectively, as there were no principal payments paid or required to be paid during the period. The decrease in both ratios is due to the reduction in NOI as a result of the Primary Variance Driver. The principal repayment amount paid under the Lyric and Eight at East loans payable has been excluded from this calculation as a result of it being related to the sale of the property.

CASH PROVIDED BY OPERATING ACTIVITIES RECONCILIATION TO FFO and AFFO

The Fund was formed as a "closed-end" trust with an initial term of three years, a targeted yield of 4.0% and a pre-tax targeted annual total return of 11% across all classes of units of the Fund.

Basic and diluted AFFO and AFFO per Unit for Q3-2025 were \$(1,157) and \$(0.04) (Q3-2024 - \$(1,013) and \$(0.03)), respectively, representing a decrease in AFFO of \$144 or 14.2% and a decrease in AFFO per Unit of \$0.01 relative to Q3-2024, primarily as a result of a reduction in NOI due to the Primary Variance Driver, partially offset by the impact of an increase in accrued interest costs added back to AFFO in Q3-2025, given the Fund completed certain debt amendments to allow the Fund to defer such costs in 2024 and 2025.

The Fund covered any shortfall between cash used by operating activities, including interest costs¹, through either cash from operating activities during such applicable periods, cash on hand, or the Fund's credit facility, including any proceeds from financing activities as applicable.

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 and Reconciliations").



A reconciliation of the Fund's cash provided by operating activities determined in accordance with IFRS to FFO and AFFO for Q3-2025, Q3-2024, YTD-2025 and YTD-2024 is provided below:

	Q3-2025	Q3-2024	YTD-2025	YTD-2024
Cash provided by operating activities	\$ 4,474	\$ 4,896	\$ 15,634	\$ 16,090
Less: interest costs	(6,499)	(7,619)	(20,472)	(21,297)
Cash used in operating activities - including interest costs	(2,025)	(2,723)	(4,838)	(5,207)
Add / (deduct):				
Change in non-cash operating working capital	(559)	(551)	(1,556)	(1,975)
Loss on early extinguishment of debt	—	—	—	(94)
Transaction costs	595	171	1,246	392
Change in restricted cash	(954)	1,122	(2,050)	2,515
Net loss attributable to non-controlling interest	197	101	922	208
Amortization of financing costs	(472)	(627)	(2,070)	(1,777)
FFO	(3,218)	(2,507)	(8,346)	(5,938)
Add / (deduct):				
Amortization of financing costs	369	623	1,407	1,778
Vacancy costs associated with the suite upgrade program	18	4	117	24
Loss on early extinguishment of debt	—	—	—	94
Sustaining capital expenditures and suite renovation reserves	(110)	(148)	(384)	(442)
Accrued interest costs ⁽¹⁾	1,784	1,015	3,822	1,497
AFFO	\$ (1,157)	\$ (1,013)	\$ (3,384)	\$ (2,987)

⁽¹⁾ These amounts represent interest costs that are deferred and payable only at maturity of the applicable loan payable.

SUBSEQUENT EVENTS

For the Emerson loan payable, certain extension conditions for the loans secured by Emerson 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 the Pledged Interests, in the entity that owns the property. However, the Fund has now received the Notice from the Lender of the loans payable secured by the Pledged Interests. The Notice received expressed 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 had the right to exercise the remedies available to it under the loan agreement, including a foreclosure of the Pledged Interests. As a result, on October 21, 2025, the foreclosure proceedings were finalized through a public auction which resulted in the transfer of ownership of Emerson to a third party. The loans secured by Emerson did not carry cross-default provisions with any other property in the Fund. The transfer of the Emerson resulted in no net proceeds.

On October 10, 2025, the Fund entered into a reorganization agreement with Starlight Group. Under the proposed reorganization all Unitholders will exchange their current units of the Fund for limited partnership units of MF Investment LP. As part of the transaction, the Fund will be dissolved and MF Investment LP will become the successor entity with its limited partnership units listed on the TSX Venture Exchange. In addition the Fund will extinguish of any entitlements of the carried interest to the partners of the SIRP, which could have been payable by the Fund in future periods. The reorganization is expected to be completed before the end of 2025 pending Unitholder approval, lender consents and regulatory acceptance.



FUTURE OUTLOOK

Subsequent to September 30, 2025, the Fund entered into a reorganization agreement with Starlight Group. Under the proposed reorganization all Unitholders will exchange their current units of the Fund for limited partnership units of MF Investment LP. As part of the transaction, the Fund will be dissolved and MF Investment LP will become the successor entity with its limited partnership units listed on the TSX Venture Exchange. The reorganization is expected to be completed before the end of 2025 pending Unitholder approval, lender consents and regulatory acceptance (see “Subsequent Events”).

Since early 2022, concerns over elevated levels of inflation have resulted in a significant increase in interest rates with the U.S. Federal Reserve raising the Federal Funds Rate by approximately 525 basis points. During 2024, the U.S. Federal Reserve reduced the Federal Funds Rate by 100 basis points and in October 2025, reduced the rate by a further 25 basis points, leading to a rate of approximately 400 basis points as at the date of this press release. Short-term interest rate increases typically lead to increases in borrowing costs for the Fund, reducing cash flow, given that the Fund primarily employs a variable rate debt strategy due to the Fund’s initial three-year term in order to provide maximum flexibility upon the eventual sale of the properties during or at the end of the Fund’s term. Similarly, as interest rates decrease, the Fund’s floating rate debt can benefit from such reductions. Historically, investments in multi-family properties have provided an effective hedge against inflation given the short-term nature of each resident lease which has been somewhat reflected in the rent growth achieved at the properties.

Although inflation has reduced significantly from its peak, markets and the Federal Reserve continue to closely monitor inflation and unemployment figures as well as the potential impacts of anticipated changes to legislation and regulation resulting from the current U.S. administration that may impact the future outlook for interest rates. Although operating fundamentals have been favourable as evidenced by the operating results achieved by the Fund since 2023 and although short-term rates began declining in 2024 providing some benefit to the short-term cash flow of the Fund, long-term U.S. treasuries have continued to be volatile, increasing from approximately 3.80% as at September 30, 2024 to 4.57% as at December 31, 2024, before decreasing to 4.15% as at September 30, 2025. Capitalization rates typically correlate over time to changes in long-term interest rates with the noted increase in long-term U.S. treasury yields reducing investment transaction volumes throughout 2024 and into Q3-2025 which negatively impacted the Fund’s Q4-2024 appraised values for the investment properties and also resulted in a reduction in the reported values for the Fund’s investment properties for YTD-2025 due to an expansion in capitalization rates.

The Fund strives to maintain strong and collaborative relationships with its lenders but the elevated level of interest rates and associated impact on capitalization rates mentioned above had a negative impact on the Fund’s overall leverage position and debt service coverage ratios, both of which are typical financial benchmarks required to extend certain loans and as a result, these changes have impacted the Fund’s ability to exercise certain extension options available under existing loans payable.

Under the terms of each applicable loan agreement, the Fund has the right to make a principal repayment towards such loan in order to achieve the extension tests that otherwise may not be achieved. Given the Fund was formed as a “closed-end” investment vehicle, the Fund is restricted from raising any additional equity, which may have otherwise assisted in making any principal repayments of the loans payable in order to meet certain extension conditions. In the event the Fund is not able to refinance the loan or if the Fund does not have sufficient liquidity or other sources of capital sufficient to make any such principal repayments required to achieve the applicable loan extension tests and the Fund is not able to otherwise negotiate an extension of such loan, the applicable lender may provide formal notice of an event of default expressing its right to demand repayment of the borrowings relating to such property. Under this scenario, the Fund may be obligated to sell such properties which may not be able to be completed on terms that are acceptable to the Fund or may be required to explore other options in the best economic interests of the Fund in order to discharge its obligations under any of the applicable loan agreements. The Fund’s loans payable also do not carry cross-default provisions other than the Fund’s credit facility whereby if one of the Fund’s lenders associated with its loans payable declared an event of default that is not remedied by the Fund, the credit facility lender may provide formal notice of an event of default expressing its right to demand repayment of the outstanding borrowings on the credit facility.



On April 29, 2025, the Fund completed the disposition of Lyric and repaid credit facility outstanding balance amounting to \$13,605. The credit facility was fully repaid and its availability was reduced to \$2,395 as a result of the repayment.

As at September 30, 2025, \$229,041 of the Fund's loans payable (relating to three of its four properties owned) had contractual maturity dates within twelve months of September 30, 2025. On July 17, 2025, the Fund extended the Sunlake loan payable by one-year to June 1, 2026 and for the Eight at East loan payable, the Fund amended the loan agreement to obtain a short-term extension to September 7, 2025 and on August 12, 2025, completed the disposition of the property repaying such loan in full at that time. For the Emerson loan payable, 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 the Pledged Interests, in the entity that owned the property. However, during Q3-2025, the Fund received the Notice from the Lender of the loans payable secured by the Pledged Interests, demanding the repayment of the loan (as discussed above). In the absence of a negotiated modification and extension of such loan, the Lender had the right to exercise the remedies available to it under the loan agreement, including a foreclosure of the Pledged Interests. As a result, subsequent to September 30, 2025, the foreclosure proceedings were finalized through a public auction which resulted in the transfer of ownership of Emerson to a third party. The transfer of the Emerson resulted in no net proceeds to the Fund. The loans secured by Emerson did not carry cross-default provisions with any other property in the Fund (see "Subsequent Events").

The loans secured by Ventura and Indigo Apartments mature in 2026 and beyond.

For three of the Fund's four properties, the fair value reported for such properties as at September 30, 2025 was lower than the principal outstanding for the loans payable secured by such properties and as a result, the sale of those properties may not be sufficient to repay those loans in full if such sale was required. In certain instances, the lenders also hold restricted cash as part of the security for such loans which in a liquidation event may be used to repay any indebtedness required to be repaid by the Fund. The Fund's secured loans are non-recourse subject to standard limited recourse provisions and are entered into by the subsidiaries of the Fund that own only the associated secured property. As a result, the liability for any such loan would typically be limited to the value of the associated secured property, including any restricted cash reserves or other amounts held by the applicable lenders, other than in certain instances which may obligate the Fund to incur certain costs or other amounts subject to certain performance conditions. Under the terms of the Fund's credit facility, the net proceeds from the sale of any of the Properties are required to be used towards the repayment of the credit facility, after the repayment of the associated secured loans for such property. On April 29, 2025, the credit facility was fully repaid.

The primary markets of the Fund, which include Arizona, California, Colorado, Florida, Georgia, Idaho, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah and Washington ("Primary Markets") have seen an elevated level of new supply delivered during 2023 and 2024 which contributed to the deceleration in rent growth in the Primary Markets during late 2023, relative to levels achieved in 2022 and earlier in 2023. Interest rates also continue to remain elevated which, along with higher levels of inflation and a softening in market conditions in late 2023, has significantly disrupted active and new construction of comparable communities in the Primary Markets that would otherwise have been delivered in the second half of 2025 or 2026. This potential reduction in construction may create a temporary imbalance in the supply of comparable multi-suite residential properties in future periods. This imbalance, alongside the continued economic strength and solid fundamentals may be supportive of favourable supply and demand conditions for the properties in future periods and could result in future increases in occupancy and rent growth.

The Fund continues to focus on managing its liquidity position, including having extended the Fund's term to November 2026, in order to provide the Fund the opportunity to capitalize on potential improvements in the investment market that are anticipated in future periods, but may not materialize. Furthermore, the Fund continues to focus on liquidity management as the Fund previously amended several of its loan agreements, deferred the payment of asset management fees and has continued to focus on maximizing NOI at the properties to preserve as much liquidity as possible. There are no assurances that the aforementioned financing activities, remaining property dispositions and proposed reorganization will be successfully completed which indicates the existence of a material uncertainty that may cast doubt upon the Fund's ability to realize its assets and discharge its liabilities in the normal course of business and, accordingly, the appropriateness of the



use of accounting principles applicable to a going concern. The Fund's condensed consolidated interim financial statements for the three and nine months ended September 30, 2025 do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that may be necessary if the Fund were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments, if required, may be material.

During this period of capital markets uncertainty, the Fund may also enter into additional financing, evaluate potential asset sales to allow the Fund to maintain sufficient liquidity or evaluate other alternatives in the best economic interests of the Unitholders.

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 its properties, the impact of elevated levels of inflation and interest rates, uncertainty surrounding U.S. tariffs, the ability of the Fund to repay indebtedness when due, the Fund's ability to negotiate further extensions with its lenders, the potential implications of a default under loans payable, the impact of any remedies exercised by a lender as a result of any default of a loan incurred by the Fund and the Fund's capital management and liquidity measures. 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, the ability of the Fund to make and the resumption of future distributions, the trading price of the Fund's TSX Venture Exchange listed units being class A units and class U units of the Fund ("Listed Units") and the value of the Fund's unlisted units, which include all units other than the Listed Units (together with Listed Units "Units"), 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 pace at which and degree of any changes in interest rates that impact the Fund's weighted average interest rate may occur; the ability of the Fund to make and the resumption of future distributions; 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 or the Fund's legal entities; the timing of the proposed reorganization including the potential impact of any unforeseen costs of the reorganization of the Fund; the impact of elevated interest rates and inflation as well as supply chain issues have on new supply of multi-family communities; the realization of property value appreciation and the timing thereof; the extent to which favourable 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 Fund's ability to continue as a going concern; the impact of any remedies exercised by a lender as a result of any default of a loan incurred by the Fund and the availability of debt financing or ability of the Fund to extend loans as loans payable become due during the Fund's term including any impact such extensions may have on the Fund's ability to hold such properties until the Manager desires to sell such properties. 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, the availability of suitable properties for purchase by the Fund, the availability of mortgage financing including the ability of the Fund to refinance or extend existing loans payable on favourable terms including any impact such extensions may have on the Fund's ability to hold such properties until the Manager desires to sell such properties, and general economic and market factors, including interest rates, inflation, business competition, the impact of any remedies exercised by a lender as a result of any default of a loan incurred by the Fund 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 impact of elevated levels of inflation on the Fund's operating costs; the impact of future interest rates on the Fund's financial performance; the availability of debt financing as loans payable become due during the Fund's term and any resulting impact on the Fund's liquidity; the trading price of the Listed Units, 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 availability of residential properties for potential future acquisition, if any, and the price at which such properties may be acquired; the ability of the Fund to benefit from any value add program the Fund conducts 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 acquisition and disposition of the properties; the extent of competition for residential properties; the impact of interest costs, inflation and supply chain issues have on new supply of multi-family communities; the extent to which favourable operating conditions achieved during historical periods may continue in future periods; the growth in NOI generated from its value-add 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 the Manager to manage and operate the properties or achieve similar returns to previous investment funds managed by the Manager; the global and North American economic environment; foreign currency exchange rates; the ability of the Fund to realize the estimated gap in market versus in-place rents through future rental rate increases; the impact of any remedies exercised as a result of any default of a loan incurred by the Fund 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) 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 U.S. RESIDENTIAL FUND

The Fund is a “close-end” fund 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. As at September 30, 2025, the Fund owned interests in four multi-family properties consisting 1,333 suites.

For the Fund’s condensed consolidated interim financial statements and MD&A for the three and nine months ended September 30, 2025 and any other information related to the Fund, please visit 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 November 2025 Newsletter which is available on the Fund’s profile at www.starlightinvest.com.

Please visit us at www.starlightinvest.com and connect with us on LinkedIn at www.linkedin.com/company/starlight-investments-ltd-.

Evan Kirsh

President
Starlight U.S. Residential Fund
+1-647-725-0417
ekirsh@starlightus.com

Martin Liddell

Chief Financial Officer
Starlight U.S. Residential Fund
+1-647-729-2588
mliddell@starlightinvest.com

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