

Starlight Western Canada Multi-Family Funds to Consolidate to form Single Platform of 15 Properties Comprising 1,413 Multi-Family Units with Value of Approximately \$639.4 Million

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Toronto – October 30, 2025 – Starlight Western Canada Multi-Family (No. 2) Fund (“**Fund 2**”) and Starlight Western Canada Multi-Family Limited Partnership (“**Fund 1**”) today announced the entering into of a business combination agreement (the “**Agreement**”) to consolidate the assets of Fund 2 and Fund 1 into a single platform (the “**Transaction**”) of 15 properties comprising 1,413 multi-family units located in British Columbia with an aggregate value of approximately \$639.4 million.

“Under Starlight’s management, the value of the assets in each Fund has increased since inception of each respective Fund. The consolidation of the assets into a single platform is an opportunity to work towards increasing value in a larger, more diversified vehicle with a larger asset pool and with increased potential for a successful exit as a result of the enhanced scale of the platform,” says Daniel Drimmer, Chief Executive Officer of Starlight Group and each of Fund 1 and Fund 2.

Transaction Details

Pursuant to the Transaction, the Funds will combine their assets on a net asset value for net asset value basis. Fund 2 Unitholders will continue to hold their existing Fund 2 trust units following completion of the Transaction, unchanged. Unitholders of Fund 1 will continue to hold limited partnership interests in Fund 1 following completion of the Transaction, subject to a combination of the outstanding series within, and subdivision of the outstanding quantity of, each class of limited partnership units of Fund 1 in order to equalize the net asset value per unit of the Class A units of Fund 1 with the net asset value per unit of the Class C units of Fund 2. Fund 2 will remain in place as a reporting issuer, holding a majority equity interest in and having control of Fund 1, while Fund 1 will remain a private limited partnership. Unitholders of both funds will indirectly own an interest in each of the assets of the Funds.

The benefits of the Transaction include, among other things, (i) a superior investment for investors in a larger fund platform with further upside potential, including pursuant to the potential future capital raise, (ii) enhanced access to capital and potential to reduce costs of borrowing through a larger asset base, (iii) potential for enhanced synergies and reduced costs across both structures, (iv) the Transaction occurring on a tax-deferred basis for investors, and (v) continued management of the platform by an affiliate of Starlight Group.

The Transaction will be effected by, among other things, Fund 2 transferring its limited partnership interest in the subsidiary through which it owns the interests in its properties, Starlight Western Canada Multi-Family (No. 2) Holding LP (“**Holding LP**”), to Fund 1, in return for a new class of limited partnership units of Fund 1. Starlight Group Property Holdings Inc. (“**Starlight Group**”) will then transfer the shares of the general partner of Fund 1 to Fund 2. The value of the interests in Holding



LP and the value of the units of Fund 1 to be issued as consideration therefor will be based on the relative net asset values of Fund 2 and Fund 1, determined on the basis of third party appraisals. As a result of the foregoing, Fund 2 is expected to own an approximate 60.3% interest in the combined pool of assets while the remaining limited partners of Fund 1 will own an approximate 39.7% interest in the combined pool of assets, in each case on a net asset value basis.

As part of the Transaction, it will be proposed to unitholders of Fund 2 (“**Fund 2 Unitholders**”) that the declaration of trust of Fund 2 be amended to (i) extend the term of Fund 2 by two years starting from the effective date of the Transaction, with two one-year extensions at the discretion of Fund 2’s board of trustees (the “**Fund 2 Board**”), and (ii) permit the Fund 2 Board to undertake a one-time public or private offering of additional trust units of Fund 2 within 18 months of the effective date of the Transaction to raise proceeds not exceeding 25% of the market capitalization of the consolidated platform.

Closing of the Transaction is subject to the satisfaction or waiver of certain closing conditions, including approval of the Fund 2 Unitholders and the limited partners of Fund 1 of the Transaction, the receipt of lender consents by each of Fund 2 and Fund 1, and certain other customary closing conditions. The Agreement includes ordinary course business conduct covenants and a mutual standstill on certain other transactions until the Transaction is completed.

The carried interest in both Fund 1 and Fund 2 that is owned by an affiliate of Starlight Group each will be settled by way of the issuance of limited partnership units of Fund 1 to such affiliate of Starlight Group at a price equal to the applicable net asset value of a Class A unit of Fund 1. Thereafter the carried interest will be reset and will accumulate based on a new minimum return achieved by unitholders in the consolidated structure including a return of capital equal to the net asset values of their classes of units at closing of the Transaction.

Required Approvals

Fund 2 will be holding a special meeting of Unitholders (the “**Fund 2 Meeting**”) to seek, among other things, approval of the Transaction, including the amendments to Fund 2’s declaration of trust (the “**DoT**”). Fund 2 will deliver a management information circular and certain related documents to Fund 2 Unitholders in connection with the Fund 2 Meeting, copies of which will be filed on SEDAR+ at www.sedarplus.ca.

Fund 2 Unitholders must approve the Transaction by at least (i) 66 2/3rds percent of the votes cast by Fund 2 Unitholders present or represented by proxy, voting as a single class, at the Meeting, and (ii) subject to receipt of exemptive relief from the Canadian Securities Administrators (“**CSA**”), a majority of the votes attached to the units held by Fund 2 Unitholders present or represented by proxy, voting as a single class, at the Meeting, excluding for this purpose votes cast by Unitholders that are required to be excluded pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), provided that if such exemptive relief is not obtained, the Fund 2 Unitholders will vote on a class by class basis in respect of (ii). Votes cast by Daniel Drimmer, the senior officers of the Fund, and the senior officers and directors of Starlight Group, will be excluded for purposes of the majority of the minority vote described above.

MI 61-101 requires approval of the Transaction to be received from a majority of the votes attached to the units voted by disinterested Fund 2 Unitholders voting separately on a class-by-class basis at the Meeting. However, Fund 2 intends to apply to the CSA for exemptive relief from the requirement that Fund 2 obtain approval separately for each class of units on the basis that, among other reasons: (i)



the DoT provides that Fund 2 Unitholders vote as a single class unless the nature of the business to be transacted at the meeting affects holders of one class of units in a manner materially different from its effect on holders of another class of units, and Fund 2's manager and Fund 2 have determined that the Transaction does not affect holders of one class of units in a manner materially different from its effect on holders of another class of units; (ii) since the relative economic entitlements as between classes within Fund 2 are to be determined in accordance with the formulas established in the DoT that were set at the time of Fund 2's initial public offering when investors selected their preferred class and purchased their units, the economic impact of the Transaction will be determined pursuant to such formulas and the Transaction will not alter such entitlements or otherwise provide for the payment of cash or assets to Fund 2 Unitholders in a manner that differs from the pre-established entitlements in the DoT; (iii) negotiation of the Transaction was overseen by a fully independent Fund 2 Board for purposes of MI 61-101; (iv) the Fund 2 Board received the Fairness Opinion (as defined herein); (v) the Fund 2 Board believes that providing a class vote would provide disproportionate power to a potentially small number of Fund 2 Unitholders; and (vi) to the best of the knowledge of the manager of Fund 2 and Fund 2, there is no reason to believe that the Fund 2 Unitholders of any particular class would not approve the Transaction. There can be no assurance that the requested relief will be granted by the CSA.

Fund 1 will also seek approval of the Transaction by its limited partners pursuant to the terms of the limited partnership agreement governing Fund 1. Further details will be provided in a communication to Fund 1's limited partners.

Board Process and Recommendation

The Fund 2 Board was fully independent for purposes of MI 61-101 and oversaw negotiation and approval of the Transaction.

In connection with such process, Blair Franklin Capital Partners Inc., an independent financial advisor retained by the Fund 2 Board, has orally provided an opinion (the "**Fairness Opinion**") to the Fund 2 Board to the effect that, as of the date of such opinion and based upon and subject to the limitations, qualifications, assumptions and other matters set out therein, the consideration to be received by Fund 2 pursuant to the Transaction is fair, from a financial point of view, to Fund 2. Based on the Fairness Opinion, and for the reasons set out above and as will be described in more detail in the management information circular together with other factors considered by the Fund 2 Board, the Fund 2 Board concluded that the Transaction is in the best interests of Fund 2 and, accordingly, unanimously approved the Transaction and related matters and unanimously recommends that Fund 2 Unitholders vote **IN FAVOUR** of the Transaction and related matters.

A copy of the Fairness Opinion, as well as additional details regarding the terms and conditions of the Transaction and the rationale for the recommendations made by the Fund 2 Board will be set out in the management information circular to be mailed to Fund 2 Unitholders in connection with the Fund 2 Meeting and filed by Fund 2 on its profile on SEDAR+ at www.sedarplus.ca.

Transaction Advisors

CIBC World Markets Inc. is acting as exclusive financial advisor to the Fund 2 Board. Blair Franklin Capital Partners Inc. is acting as independent financial advisor to the Fund 2 Board in connection with the Transaction, including providing the Fairness Opinion. Blake, Cassels & Graydon LLP is counsel to Fund 2 and Bloom Lanys LLP is counsel to Fund 1.



FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws and which reflect Fund 2's current expectations regarding future events, including statements relating to the Transaction and the implementation thereof, the expected proportionate split of Fund 2 and existing limited partners of Fund 1, the expected timing for the Fund 2 Meeting, the expected closing date for the Transaction, and the benefits of the Transaction to Fund 2 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: the extent and sustainability of potential higher levels of inflation and the potential impact on Fund 2's operating costs; the impact of any tariffs and retaliatory tariffs on the economy; 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 Fund 2'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 Fund 2'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 Fund 2's weighted average interest rate may occur; and the availability of debt financing. A variety of factors, many of which are beyond Fund 2's control, affect the operations, performance and results of Fund 2 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 Fund 2 Units, risks related to Fund 2 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 Fund 2 believes the expectations reflected in such forward-looking information are reasonable and represent Fund 2's projections, expectations and beliefs at this time, such information involves known and unknown risks and uncertainties which may cause Fund 2'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 Fund 2'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 Fund 2's residents or rents; the realization of property value appreciation and the timing thereof; the inventory of residential real estate properties; the ability of Fund 2 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 Fund 2; the extent of competition for residential properties; the growth in net operating income generated from asset management initiatives; the population of residential real estate market participants; assumptions about the markets in which Fund 2 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 Fund 2's operating costs; and governmental regulations or tax laws. There can be no assurance regarding: (a) inflation or changes in interest rates on Fund 2's business, operations or performance; (b) Fund 2'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 Fund 2 in accordance with its current asset management agreement; and (e) other risks inherent to Fund 2's business and/or factors beyond its control which could have a material adverse effect on Fund 2.

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

Fund 2 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. Fund 2 has interests in and operates a portfolio comprising interests in 944 income producing multi-family suites located in Western Canada.

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

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