Starlight U.S. RESIDENTIAL

Starlight U.S. Residential Fund Provides Update on Emerson at Buda Property

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Toronto – **October 21, 2025** – Starlight U.S. Residential Fund (TSXV: SURF.A) (TSXV: SURF.U) (the "**Fund**") previously disclosed that the Fund's Emerson at Buda ("Emerson") property was unable to satisfy the loan extension conditions in respect of its outstanding loans. The Fund also had previously disclosed that one of the lenders may consider commencing foreclosure proceedings. The Fund confirms that the foreclosure proceedings have been finalized through a public auction which resulted in the transfer of ownership of Emerson (through foreclosure and resulting transfer of the ownership interests in the entity that owns Emerson), to a third party. Prior to the transfer, Emerson was valued by the Fund at less than the associated loans. The transfer of the Emerson property resulted in no net proceeds to the Fund and had no impact on the net asset value of the Fund.

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 and the expected timing for the Unitholder vote outlined as part of the reorganization previously disclosed by the Fund, the expected closing date for the reorganization previously disclosed by the Fund. 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 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.

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 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. Subsequent to the transfer described above, the Fund has interests in and operates a portfolio comprising interests in 1,029, Class "A" stabilized, income producing multi-family residential suites located in Tampa, Florida, Phoenix, Arizona and Raleigh, North Carolina.

ABOUT STARLIGHT INVESTMENTS

The Fund is a "closed-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.

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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