



3641 & 3651 Elliot Road, Kelowna, British Columbia

STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

August 12, 2026

STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND - Q2 2026 MD&A

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FUND TARGETS

- **ANNUAL PRE-TAX TARGETED DISTRIBUTION YIELD: 2.0% to 3.0%**
- **PRE-TAX TARGETED TOTAL RETURN: 12.0%**

5477 200 Street
Langley, British Columbia



1803 31A Street
Vernon, British Columbia



1085 Goldstream Avenue
Langford, British Columbia



2338 South Island Highway
Campbell River, British Columbia



2670 Library Lane
North Vancouver, British Columbia



5085 Uplands Drive
Nanaimo, British Columbia



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of the unaudited condensed consolidated interim financial statements of Starlight Western Canada Multi-Family (No. 2) Fund (the "Fund") dated August 12, 2026 for the three months ended June 30, 2026 ("Q2-2026") and for the six months ended June 30, 2026 ("YTD-2026") should be read in conjunction with the Fund's unaudited condensed consolidated interim financial statements for the three months ended June 30, 2025 ("Q2-2025") and the six months ended June 30, 2025 ("YTD-2025") and the Fund's audited consolidated financial statements for the year ended December 31, 2025, both of which have been prepared in accordance with IFRS Accounting Standards ("IFRS"). These documents are available on SEDAR+ at www.sedarplus.ca.

The Fund's presentation currency is Canadian dollars. Unless otherwise stated, dollar amounts expressed in this MD&A are in thousands of Canadian dollars, except for amounts related to trust units of the Fund or interests owned by the non-controlling interests (collectively, "Unit") and figures for average monthly rent ("AMR")¹. Non-IFRS measures are reported throughout this MD&A. For further information on non-IFRS measures, please refer to the "Non-IFRS Financial Measures" section.

Figures throughout this MD&A include any amounts attributable to non-controlling interests, unless otherwise stated.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A 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 "Properties"), the impact of elevated levels of inflation and interest rates and uncertainty surrounding U.S. tariffs. 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, 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 effects of global economic uncertainty and geopolitical instability on financial markets and borrowing costs; 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 the Fund'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 the Fund'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 the Fund's weighted average interest rate may occur; and the availability of debt financing. 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, risks related to the Fund 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 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

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").

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materially from the Fund'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.

See the "Risks and Uncertainties" section and 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 the Fund's residents or rents; the realization of property value appreciation and the timing thereof; the inventory of residential real estate properties; the ability of the Fund 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 the Fund; the extent of competition for residential properties; the growth in net operating income ("NOI") generated from asset management 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 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 the Fund's operating costs; and governmental regulations or tax laws. There can be no assurance regarding: (a) inflation or changes in interest rates on the Fund's business, operations or performance; (b) the Fund'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 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 MD&A relates only to events or information as of the date on which the statements are made in this MD&A. 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.

NON-IFRS FINANCIAL MEASURES

Certain terms used in this MD&A such as adjusted funds from operations ("AFFO"), AMR, adjusted net income and comprehensive income ("Adjusted Net Income and Comprehensive Income"), cash provided by operating activities including interest costs ("Cash Provided by Operating Activities Including Interest Costs"), economic occupancy ("Economic Occupancy"), physical occupancy ("Physical Occupancy"), funds from operations ("FFO"), gross book value ("Gross Book Value"), indebtedness ("Indebtedness"), indebtedness coverage ratio ("Indebtedness Coverage Ratio"), same property NOI ("Same Property NOI"), indebtedness to gross book value ("Indebtedness to Gross Book Value"), interest coverage ratio ("Interest Coverage Ratio") and NOI as well as other measures discussed elsewhere in this MD&A are not measures defined under IFRS as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net (loss) income and comprehensive (loss) income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. AFFO, AMR, Adjusted Net Income and Comprehensive Income, Cash Provided by Operating Activities Including Interest Costs, Economic Occupancy, Physical Occupancy, FFO, Gross Book Value, Indebtedness, Indebtedness Coverage Ratio, Indebtedness to Gross Book Value, Interest Coverage Ratio, Same Property NOI and NOI, as computed by the Fund, may not be comparable to similar measures as reported by other issuers or companies in similar or different industries. The Fund uses these measures to better assess the Fund's underlying performance and provides these additional measures so that investors may do the same.

Adjusted Net Income and Comprehensive Income is defined as net (loss) income and comprehensive (loss) income in accordance with IFRS before provisions for carried interest plus amortization of financing costs, fair value adjustments on investment properties, distributions to unitholders of the Fund and non-controlling interests ("Unitholders") and any other one-time income or expenses. Adjusted Net Income and Comprehensive Income is used in calculating certain ratios described below.

FFO is defined as net (loss) income and comprehensive (loss) income in accordance with IFRS, excluding fair value adjustments on investment properties, distributions to Unitholders classified as financial liabilities, provisions for carried interest and any other one-time income or expenses. FFO is a measure of operating performance based on the funds generated from the business before reinvestment or provision for other capital needs. FFO is presented in this MD&A as the

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Manager considers this non-IFRS measure to be an important measure of operating performance and is calculated in accordance with Real Property Association of Canada ("RPAC"). The most comparable IFRS measures to FFO are cash flow from operating activities and net (loss) income and comprehensive (loss) income.

FFO payout ratio ("FFO Payout Ratio") compares distributions declared to FFO and is calculated by taking distributions declared and dividing by FFO in a given reporting period. The Manager considers this non-IFRS measure to be an important performance measure to determine the sustainability of future distributions paid to Unitholders.

AFFO is defined as FFO subject to certain additional adjustments, including: (i) amortization of fair value mark-to-market adjustments on loans assumed; (ii) amortization of financing costs; and (iii) deduction of a reserve for normalized maintenance capital expenditures and suite make-ready costs, as determined by the Fund. Other adjustments may be made to AFFO as determined by the Manager. AFFO is presented in this MD&A as the Manager considers this non-IFRS measure to be an important performance measure to determine the sustainability of future distributions paid to Unitholders after a provision for maintenance capital expenditures. AFFO should not be interpreted as an indicator of cash generated from operating activities, as it does not consider changes in working capital. AFFO has not been calculated in accordance with the RPAC definition, as the Fund adjusts for non-cash items to better measure the sustainability of future distributions. This MD&A does not include a presentation of adjusted cash flow from operations as defined by RPAC. The most comparable IFRS measures for AFFO are cash flow from operating activities and net (loss) income and comprehensive (loss) income.

AFFO payout ratio ("AFFO Payout Ratio") is calculated by taking distributions declared and dividing by AFFO in a given reporting period. The Manager considers this non-IFRS measure to be an important performance measure to determine the sustainability of future distributions paid to Unitholders.

AMR is defined as the total in place rents divided by the total number of multi-family suites occupied as at the reporting date.

Cash Provided by Operating Activities Including Interest Costs, is a measure of the amount of cash generated from operating activities including interest costs, and is presented in this MD&A as the Manager considers this non-IFRS measure when determining the sustainability of future distributions paid to Unitholders.

Economic Occupancy is calculated by taking effective net rent after considering vacancy and concessions and dividing by gross potential rent. The Manager considers this an important operating metric to evaluate the extent to which revenue potential is being realized. The Fund also uses Physical Occupancy, which is calculated by taking the number of occupied suites (including in-place and committed occupancy) as at the reporting date divided by the total number of suites owned by the Fund as at the reporting date.

Gross Book Value is defined as the fair market value of the investment properties as determined in accordance with IFRS. Gross Book Value is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's financial condition. The most comparable IFRS measure for Gross Book Value is investment properties.

Indebtedness is defined as the principal amount of loans payable outstanding as at a specific reporting date. Indebtedness is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's financial condition. The most comparable IFRS measure for the Fund's Indebtedness is loans payable.

Indebtedness Coverage Ratio is defined as Adjusted Net Income and Comprehensive Income plus interest expense divided by interest and mandatory principal payments on the Fund's loans payable for a specific reporting period. Generally, a higher Indebtedness Coverage Ratio demonstrates a stronger ability to satisfy the Fund's debt service obligations. Indebtedness Coverage Ratio is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the amount of cash flow available to meet annual principal and interest payments and ultimately the ability of the Fund to make cash distributions to Unitholders.

Indebtedness to Gross Book Value is defined as the Fund's Indebtedness divided by the Gross Book Value of the Properties. Indebtedness to Gross Book Value is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's financial condition.

Interest Coverage Ratio is defined as Adjusted Net Income and Comprehensive Income plus interest expense divided by interest expense. Generally, a higher Interest Coverage Ratio indicates a lower credit risk. Interest Coverage Ratio is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the amount of cash flow available to meet annual interest payments and ultimately the ability of the Fund to make cash distributions to Unitholders.

NOI, or Adjusted Income from Operations is defined as all property revenue, less direct property costs such as utilities, property taxes, repairs and maintenance, on-site salaries, insurance, bad debt expenses, property management fees, and other property-specific administrative costs. NOI Margin is defined as NOI divided by revenue from property operations. NOI and NOI Margin are presented in this MD&A as the Manager considers these non-IFRS measures to be important measures of the Fund's operating performance and uses these measures to assess the Fund's property operating performance on an unlevered basis. The most comparable measure to IFRS is net (loss) income and comprehensive (loss) income.

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Same property operating results and Same Property NOI (revenue less property operating costs and property taxes) have been presented in this MD&A for the Properties continuously for a selected reporting period and does not take into account the impact of the operating performance of the properties acquired during or subsequent to the reporting period. Same Property NOI and Same Property NOI Margin are presented in this MD&A as the Manager considers these non-IFRS measures to be important measures of the Fund's operating performance.

Weighted average Units outstanding represent the Units adjusted for redemptions across all classes of Units of the Fund.

Reconciliations of net (loss) income and comprehensive (loss) income to FFO and AFFO are provided herein at "Non-IFRS Financial Measures - FFO and AFFO". In addition, a reconciliation of Cash Provided by Operating Activities Including Interest Costs to AFFO is provided herein at "Non-IFRS Financial Measures - FFO and AFFO" and a reconciliation of NOI from the financial statement presentation of revenue, property operating costs and property taxes is provided herein at "Financial and Operational Highlights".

STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND - Q2 2026 MD&ANotes to readers | **Future outlook** | Our business | Highlights | Financial performance | Other disclosures | Schedule A**FUTURE OUTLOOK**

Since 2022, concerns over rising inflation contributed to a significant increase in interest rates with the Bank of Canada raising its target interest rate from 0.25% in early 2022 to 5.0% as of first quarter of 2024. Increases in target interest rates typically lead to increases in borrowing costs. Inflation in Canada has declined from its peak in June 2022 of 8.1% to 2.8% in June 2026 with improvements in global supply chains and the effects of higher interest rates moving through the economy. As a result, the Bank of Canada has reduced its target interest rate by a total of 275 basis points since June 2024, bringing it down to 2.25% as of August 12, 2026. More recently, however, inflationary pressures have shown signs of re-emerging, driven in part by higher oil prices associated with geopolitical tensions in the Middle East, and financial markets continue to closely monitor the potential impact of these developments on inflation and the future path of interest rates.

The Fund benefits from the availability of Canada Mortgage and Housing Corporation insured financing to the Canadian residential sector, which provides a stable, competitively priced source of financing. Operating fundamentals continue to be favorable as evidenced by the operating results achieved by the Fund and the Fund has made steady progress in mitigating the significant increases in interest rates by increasing the amount of fixed rate debt to 91.7% of its total debt as at June 30, 2026. This capital structure is intended to support cash flow stability and mitigate exposure to future interest rate volatility.

Economic conditions in the Province of British Columbia ("BC"), including Vancouver Island and the Coast Region (the "Primary Markets") remain relatively stable, though signs of moderation are emerging. According to Statistics Canada, the June 2026 unemployment rate in Canada and the Primary Markets was 6.5%. BC employment strengthened over the second quarter of 2026, with improvements in the labour market, particularly in May and June, despite ongoing trade-related uncertainties and softer conditions in service-producing industries. While employment conditions have improved, economic activity is expected to remain uneven, particularly as elevated borrowing costs and trade-related uncertainties continue to weigh on businesses across the Primary Markets and Canada.

Population growth has historically supported rental demand; however, immigration targets have been revised downward. Immigration, Refugees and Citizenship Canada ("IRCC") has stabilized permanent resident admissions at approximately 380,000 annually for 2026 through 2028, while significantly reducing new temporary resident arrivals. While this may moderate the pace of population growth relative to prior years, underlying demand for rental housing is expected to remain supported by affordability constraints in the homeownership market and limited new housing supply.

Throughout 2025, the United States imposed tariffs on steel, aluminum and other imported components, with additional trade measures continuing between Canada, the United States and other jurisdictions. These factors have contributed to higher construction and renovation costs for multi-family projects in Canada and the Fund's primary markets. In addition, geopolitical conflicts have led to volatility in global energy markets, which have contributed to higher oil prices and renewed inflationary pressures in Canada. Financial markets continue to closely monitor these developments, as sustained increases in energy prices could influence the outlook for inflation and interest rates, potentially impacting development and operating costs.

While recent interest rate reductions by the Bank of Canada have improved borrower sentiment and affordability, the timing and extent of further changes remain uncertain due to labour market conditions, inflationary pressures, including those associated with higher energy prices, evolving economic factors and potential trade developments. Notwithstanding these uncertainties, management does not expect these factors to have a material adverse impact on the Fund's operating results, as affordability constraints, limited housing supply and slowing new construction are expected to support demand for multi-family rental housing. The Fund will continue to monitor these developments and adjust its strategy as appropriate.

Looking forward through second half of 2026, the Fund expects to maintain stable occupancy and operating performance across its portfolio of high quality multi-family investment properties, supported by continued rental demand in the Primary Markets and the limited supply of multi-family housing. These factors are expected to support the Fund's overall operating results.

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INVESTMENT OVERVIEW, OBJECTIVES AND STRATEGY

The Fund is a “closed-end” fund established pursuant to an initial declaration of trust dated as of November 12, 2021, as amended and restated on January 27, 2022 and December 16, 2025 (the “Declaration of Trust”), and governed by the laws of the Province of Ontario. The registered office of the Fund is located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario M8X 2X3.

The term of the Fund is three years, with two one-year extensions available at the option of the Fund's board of trustees (the “Board”) and may be further extended by special resolution of the Unitholders. On November 14, 2024, the Board approved a one-year extension of the Fund's term to February 22, 2026. Subsequently, on December 12, 2025, pursuant to the Declaration of Trust, the Unitholders approved a special resolution to extend the Fund's term to December 16, 2027, with two one-year extensions available at the option of the Board.

The ownership of the Fund is separated into three classes of Units. Following the closing of the Fund's initial public offering on February 22, 2022 (the “Offering”), the Fund issued the following Units: 4,207,395 class A Units, 5,404,905 class B Units and 3,387,700 class C Units at a price of \$10.00 per Unit (see “Capital Structure and Debt Profile - Net Liabilities Attributable to Unitholders”). The Offering raised gross subscription proceeds of \$130,000. Following completion of the Offering, the Fund acquired five institutional quality multi-family Properties comprising a total of 495 suites located at 6035 Linley Valley Drive and 4800 Uplands Drive, Nanaimo (“Nanaimo”), 733 Goldstream Avenue, Langford (“Langford”), 3400 Centennial Drive, Vernon (“Vernon”), 1803 31A Street, Vernon (“Vernon 2”) and 2699 Peatt Road, Langford (“Langford 2”) on February 23, 2022. Subsequent to the Offering, the Fund acquired four additional multi-family Properties comprising a total of 449 suites during 2022 and 2023, located at 1085 Goldstream Avenue, Langford (“Langford 3”), 5477 200 Street, Langley (“Langley”), 4745 Ledgerwood Road, Nanaimo (“Nanaimo 2”) and 728 Meaford Avenue, Langford (“Langford 4”). All these properties are referred to as the “Initial Properties”.

The acquisition of the Initial Properties was valued at \$375,860, which was financed by Offering proceeds of \$105,842 and debt of \$270,018. The Fund had approximately \$31,551 of available liquidity including \$20,000 of availability under Fund's credit facilities as at June 30, 2026, which is expected to be used to fund existing operations and the continuation of the Fund's business objectives.

On December 17, 2025, the Fund completed the acquisition of Starlight Western Canada Multi-Family Limited Partnership (“SW1”), comprising of six multi-family properties (“Subsequent Properties”) to create a single investment platform comprising of fifteen multi-family properties, including the Fund's existing portfolio of nine multi-family properties across Primary Markets (the “Transaction”). SW1 properties included 2036 South Island Highway, Campbell River, BC (“Campbell”), 3641 & 3651 Elliot Road, Kelowna, BC (“Kelowna”), 5085 Uplands Drive, Nanaimo, BC (“Nanaimo3”), 155 Moilliet Street, Parksville, BC (“Parksville”), 2338 South Island Highway, Campbell River, BC, (“Campbell 2”) and 2670 Library Lane, North Vancouver, BC (“North Vancouver”). The Properties are all located in BC with the Fund owning a total of 1,413 multi-family suites as at June 30, 2026 (see “Portfolio Summary”).

As a result of the Transaction, SW1 became a subsidiary of the Fund with the Fund receiving new class C limited partnership Units (“Class C LP Units”) of SW1 and retained approximately 61.4% of the consolidated structure, while the existing unitholders of SW1 (“Existing Unitholders”) retained their units and collectively hold the remaining approximate 38.6% through limited class A limited partnership units (“Class A LP Units”) and class B limited partnership units (“Class B LP Units”) of SW1 (see “Non-Controlling Interests”). SW1 indirectly owns all the properties controlled by the Fund.

The Fund's Investment Strategy:

The Fund was established for the primary purpose of directly or indirectly acquiring, owning, operating and stabilizing a portfolio composed of income-producing multi-family real estate properties in Western Canada that demonstrate value based on pricing and local supply and demand trends to achieve the Fund's target metrics by increasing in-place rents to market rents, revenue enhancement through ancillary income opportunities and operating expense reductions as a result of active asset management, and that are located in the Primary Markets. The Manager believes the Western Canadian multi-family real estate sector presents a compelling investment opportunity and provides competitive long-term returns when compared to other real estate opportunities.

The Fund's investment objectives are to:

1. Directly or indirectly acquire, own, operate and stabilize a portfolio of newer vintage and newly constructed income-producing, multi-family real estate properties which are geographically diversified across the Primary Markets;
2. Make stable monthly cash distributions; and

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3. Enhance earnings from the Properties through active asset management, which may include leasing non-stabilized properties, increasing in-place rents to market rents, revenue enhancement through ancillary income opportunities and operating expense reductions, best-in-class property management and economies of scale.

The Manager targets acquisitions in the Primary Markets, where markets feature:

1. Compelling employment, population, and economic growth rates;
2. Attractive employment and other opportunities for new immigrants to Canada;
3. Consistently low rental vacancy rates and high rental growth rates; and
4. Comfortable climates and quality of life.

ACQUISITION OF WESTERN CANADIAN MULTI-FAMILY REAL ESTATE

1. Identify multi-family acquisition opportunities in the Primary Markets through the Manager's strong pipeline of exclusive acquisition opportunities by leveraging the Manager's relationships with principals, operators, brokers and other real estate asset managers and by its ability to source "off market" opportunities.
2. Target multi-family assets that are:
 - (a) Newer vintage or newly constructed properties that have not been stabilized or demonstrate the opportunity to increase in-place rents to market rents, with significant value upside; and
 - (b) Strategically located properties in the Primary Markets, which demonstrate a supply-demand imbalance as well as barriers to new development.
3. Complete a comprehensive due diligence program, including cash flow and operating expense reviews, and, where applicable, third-party reports including market studies, structural and environmental assessments and appraisals.
4. Conduct a broad canvass of the lending community, including lenders with whom the Manager enjoys long-term relationships, to secure debt financing on competitive terms.
5. Explore, from time to time, co-investment opportunities involving the Fund and one or more co-investors.

ASSET VALUE ENHANCEMENT THROUGH ACTIVE ASSET MANAGEMENT STRATEGY

1. Utilize the Manager's network to source attractive future acquisitions from principals, operators, brokers and other real estate asset managers.
2. Seek ancillary income opportunities such as cable, antenna and laundry contracts as well as package handling and visitor and resident parking.
3. Reduce operating expenses such as staffing, energy and water expenses through sub-metering, maintenance contracts, advertising, general and administrative expenses and insurance through economies of scale.
4. Utilize reputable best-in-class property managers.

VALUE REALIZATION

1. Asset value increases are expected by the Manager to be realized through a combination of NOI growth, through, among other things, active asset management resulting in increased rental rates, and a pricing premium on the aggregated portfolio.
2. The Manager, on behalf of the Fund, may execute dispositions, directly or indirectly, throughout the term on a single asset or portfolio basis through private and public market transactions to maximize value.
3. The private real estate investment market and the public capital markets will be monitored to seek an exit strategy that can be executed with a view towards value maximization.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Starlight Group Property Holdings Inc. and the Manager, collectively referred to as “Starlight”, are committed to adopting a comprehensive approach to environmental, social and governance (“ESG”) practices for all entities within the Starlight group, embedding these principles into every aspect of Starlight’s business, with the intention of driving long-term value. Starlight’s ESG strategy and commitments are supported by its Sustainability Action Plan which outlines short-targets, programs, and performance indicators. Since its first submission in 2021, Starlight has received top ranking from the Global Real Estate Sustainability Benchmark (“GRESB”) for its sustainability efforts, including exceeding the benchmark averages in carbon emissions and resource reduction, tenant engagement, and risk management.

ESG disclosure standards

Starlight’s ESG strategy and programs are aligned with external standards and best practices, including the Global Reporting Initiative Sustainability Reporting Standards, and GRESB. Starlight has also taken guidance from the International Sustainability Standards Board’s IFRS Sustainability Standards S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures. These standards help shape the Fund’s commitments and ensure accountability in its data, initiatives and goals.

Starlight’s commitments are aligned with the United Nations’ Sustainable Development Goals (“SDGs”) – a set of integrated goals that call on countries and industries to help end poverty, protect the planet and ensure peace and prosperity. Our ESG strategy at Starlight contributes to the following UN SDGs:



Importance of ESG

Starlight has engaged its stakeholders to determine the ESG topics that are most important to its investors, partners, affiliates and communities, and where Starlight has a significant impact. Conducting this exercise helps to determine which topics are most relevant for Starlight to address and which contribute to advancing its purpose of investing with impact. The resulting matrix is a cumulative product of extensive research, workshops, one-on-one discussions and data cross-referencing from across the real estate industry.

Environmental impact

- Carbon emissions and
- Energy efficiency
- Circularity and resources
- Low-carbon infrastructure
- Resilience
- Materials
- Biodiversity

Social Impact

- Employee well-being and
- Community well-being and engagement
- Inclusion, Diversity, Equity and Allyship (“IDEA”)
- Affordability
- Community engagement
- Partnerships
- Indigenous relations

Governance

- Cybersecurity
- Corporate governance
- Certifications and reporting standards
- Risk management
- Regulations

This matrix has assisted the Fund to develop a strategy that embeds ESG in every aspect of its business, including operations, investment activities and corporate functions, which:

- promote resource efficiency, reducing costs and minimize environmental degradation;

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- (b) increase property values, contributing to stakeholder satisfaction, and drive long-term net asset value (“NAV”) growth for Unitholders;
- (c) enhance the appeal of the Properties, helping to attract and retain residents and build lasting collaborative relationships; and
- (d) manage risk and comply with evolving regulations, insurance requirements, enhancing operations, management, and governance practices.

ESG commitment

Starlight’s core ESG commitments are as follows:

<u>People and Culture</u>	<u>Social Impact</u>	<u>Operations and Development</u>	<u>Transparency and Accountability</u>
To attract and retain top talent and foster a diverse and inclusive culture where individuals can thrive.	To bring value to local communities, enhance resident well-being and provide healthy and equitable living and working spaces.	To create and maintain low-carbon, resource efficient, resilient spaces and complete communities.	To demonstrate transparency in its governance practices and proactively respond to existing and future risks.

ESG AS IT RELATES TO THE FUND

Pursuant to the Board’s mandate, in addition to specific governance matters, the Board oversees and monitors the Fund’s general strategy, policies and initiatives related to the environmental and social matters and the alignment of the strategy with the Fund’s overall business objectives and at least annually reviews the same. As the Fund is a “closed-end” fund with the term expiring on December 16, 2027 (unless further extended in accordance with Declaration of Trust), the 2050 net carbon emissions target is not applicable and as a result the Fund has not disclosed long-term initiatives and targets surrounding net carbon zero emissions.

Although the Fund has not published long-term initiatives and targets surrounding net carbon zero emissions, the Manager continues to evaluate ways to integrate carbon reduction initiatives where equipment is end-of-life and efficient energy systems would be beneficial. The Manager also evaluates and implements projects where there is opportunity to reduce energy, resources, such as water, and waste to maintain or add value to the property for future investment opportunities.

The Fund is committed to strong governance practices. It continues to review and enhance its governance policies to align with the Fund’s strategic direction, regulatory and ESG requirements and sound governance practices. The following are some of the highlights of its governance policies and practices:

- 1/3 of the Board are women
- Board is responsible for the oversight of the ESG strategy and ESG initiatives developed by management
- Code of business conduct and ethics that promotes honest and ethical conduct between the trustees, officers and employees of the Fund’s asset manager
- Independent trustees are not overboarded
- Board mandate and committee charters are regularly reviewed to ensure they remain current

The Fund strives to understand and address the social impact of its business. The Fund’s initiatives extend beyond financial success to encompass the well-being of its employees, residents’ communities and the environment. The Fund has introduced many social initiatives through Starlight including summer internship programs, ESG workshops, resident relief programs, partnerships with humanitarian aid agencies and IDEA. During 2025 and into 2026, the Fund hosted a range of resident-focused social events across its Properties, including celebrations for Pride Month, Earth Day and Earth Hour, a Halloween costume contest, International Women’s Day, as well as community BBQs, ice cream socials and others. Each event held ensures ESG principles are followed and that property managers are guided to include sustainable activities and programs, such as proper waste sorting and using reusable elements for food and drink and children’s activities.

Risks related to ESG

For information on detailed risks related to ESG, please refer to the “Risks and Uncertainties” section in the Fund’s MD&A for the year ended December 31, 2025.

STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND - Q2 2026 MD&ANotes to readers | Future outlook | **Our business** | Highlights | Financial performance | Other disclosures | Schedule A**PORTFOLIO SUMMARY**

Property	Address	City	Suites	Vintage	Rentable area (Sq. ft)	Avg. suite size (Sq. ft)	Land area (Acres)	Date acquired
Nanaimo	6035 Linley Valley Drive & 4800 Uplands Drive	Nanaimo	251	2020	208,906	832	6.90	2/23/2022
Langford	733 Goldstream Avenue	Langford	60	2020	41,618	694	0.86	2/23/2022
Vernon	3400 Centennial Drive	Vernon	60	2018	52,605	877	1.20	2/23/2022
Vernon 2	1803 31A Street	Vernon	43	2019	39,331	915	0.54	2/23/2022
Langford 2	2699 Peatt Road	Langford	81	2017	60,958	753	0.74	2/23/2022
Langford 3	1085 Goldstream Avenue	Langford	166	2019	109,490	660	2.15	3/1/2022
Langley	5477 200 Street	Langley	57	2016	49,428	867	0.68	6/7/2022
Nanaimo 2	4745 Ledgerwood Road	Nanaimo	120	2022	95,585	797	3.20	8/29/2022
Langford 4	728 Meaford Avenue	Langford	106	2018	79,960	754	0.90	11/14/2023
Campbell	2036 South Island Highway	Campbell River	51	2019	42,609	835	0.90	12/17/2025 ⁽¹⁾
Kelowna	3641 & 3651 Elliot Road	Kelowna	140	2020	107,869	770	1.84	12/17/2025 ⁽¹⁾
Nanaimo 3	5085 Uplands Drive	Nanaimo	59	2019	45,238	767	0.91	12/17/2025 ⁽¹⁾
Parksville	155 Moilliet Street	Parksville	74	2020	61,360	829	1.50	12/17/2025 ⁽¹⁾
Campbell 2	2338 South Island Highway	Campbell River	70	2020	57,455	821	1.20	12/17/2025 ⁽¹⁾
North Vancouver	2670 Library Lane	North Vancouver	75	2020	62,776	837	0.67	12/17/2025 ⁽¹⁾
Total ownership as at June 30, 2026			1,413	2019	1,115,188	789	24.19	

⁽¹⁾ These six Properties were acquired as part of the Transaction between the Fund and SW1 on December 17, 2025 (see "Investment Overview, Objectives and Strategy").

NANAIMO

Nanaimo was completed in 2020 and is located approximately 86.6 kilometers west of downtown Vancouver at 6035 Linley Valley Drive & 4800 Uplands Drive, Nanaimo, BC. The property provides convenient access to the largest estuary on Vancouver Island, the Nanaimo River estuary. Built on a 6.90 acre site, Nanaimo comprises 251 multi-family suites, ranging in size from one bedroom to two bedrooms, across three mid-rise buildings.

LANGFORD

Langford was completed in 2020 and is located approximately 12.6 kilometers west of downtown Victoria at 733 Goldstream Avenue, Langford, BC. The property provides convenient access to Goldstream Provincial Park and Mill Hill, Mount Wells and Thetis Lake Regional Parks. Built on a 0.86 acre site, Langford comprises 60 multi-family suites, ranging in size from one bedroom to two bedrooms, in one mid-rise building.

VERNON

Vernon was completed in 2018 and is located in Vernon, BC, approximately 50 kilometers north of Kelowna at 3400 Centennial Drive, Vernon, BC. The property provides convenient access to Kalamaka Lake Provincial Park, Kal Beach, Kin Beach and Silver Star Provincial Park. Built on a 1.20 acre site, Vernon comprises 60 multi-family suites, ranging in size from one bedroom to three bedrooms, in one mid-rise building.

VERNON 2

Vernon 2 was completed in 2019 and is located in Vernon, BC, approximately 50 kilometers north of Kelowna at 1803 31A Street, Vernon, BC. The property provides convenient access to Kalamaka Lake Provincial Park, Kal Beach, Kin Beach and Silver Star Provincial Park. Built on a 0.54 acre site, Vernon 2 comprises 43 multi-family suites, ranging in size from one bedroom to three bedrooms, in one mid-rise building.

LANGFORD 2

Langford 2 was completed in 2017 and is located approximately 13.8 kilometers west of downtown Victoria at 2699 Peatt Road, Langford, BC. The property provides convenient access to Goldstream Provincial Park and Mill Hill, Mount Wells and Thetis Lake Regional Parks. Built on a 0.74 acre site, Langford 2 comprises 81 multi-family suites, ranging in size from bachelor to two bedrooms, in one low-rise building.

LANGFORD 3

Langford 3 was completed in 2019 and is located approximately 14.3 kilometers west of downtown Victoria at 1085 Goldstream Avenue, Langford, BC. The property provides convenient access to Goldstream Provincial Park and Mill Hill, Mount Wells and Thetis Lake Regional Parks. Built on a 2.15 acre site, Langford 3 comprises 166 multi-family suites, ranging in size from one bedroom to three bedrooms, in one mid-rise building.

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Langley was completed in 2016 and is located approximately 1.9 kilometers west of downtown Langley at 5477 200 Street, Langley, BC. The property provides convenient access to Crescent Beach, Peace Arch Hospital and Trinity Western University. Built on a 0.68 acre site, Langley comprises 57 multi-family suites, ranging in size from one bedroom to two bedrooms, in one mid-rise building.

NANAIMO 2

Nanaimo 2 was completed in 2022 and is located approximately 85.8 kilometers west of downtown Vancouver at 4745 Ledgerwood Road, Nanaimo, BC. The property provides convenient access to the largest estuary on Vancouver Island, the Nanaimo River estuary. Built on a 3.20 acre site, Nanaimo 2 comprises 120 multi-family suites, ranging in size from bachelor to three bedrooms, across three mid-rise buildings.

LANGFORD 4

Langford 4 was completed in 2018 and is located approximately 14 kilometers west of downtown Victoria at 728 Meaford Avenue, Langford, BC. The property is near several regional parks and golf clubs which provide a great wealth of recreational options for residents on Vancouver Island. Built on a 0.90 acre site, Langford 4 comprises 106 multi-family suites, ranging in size from bachelor to three bedrooms, in one mid-rise building.

CAMPBELL

Campbell was completed in 2019 and is located approximately 261 kilometers northwest of downtown Victoria and 150 kilometers northwest of downtown Nanaimo at 2036 South Island Highway, Campbell River, BC. The property is situated just across the street from the ocean with stunning views and access to the Sea walk and Frank James Park. Built on a 0.90 acre site, Campbell comprises 51 multi-family suites, ranging in size from bachelor to large two bedrooms, in one mid-rise building.

KELOWNA

Kelowna was completed in 2020 and is located approximately 13.6 kilometers west of downtown Kelowna at 3641 & 3651 Elliot Road, West Kelowna, BC. The property's location provides a rural touch with urban advantages and is near shopping amenities, local restaurants, and public transit. Built on a 1.84 acre site, Kelowna comprises 140 multi-family suites, ranging in size from bachelor to three bedrooms, in two mid-rise buildings.

NANAIMO 3

Nanaimo 3 was completed in 2019 and is located approximately 123 kilometers north of downtown Victoria at 5085 Uplands Drive, Nanaimo, BC. The property is near Woodgrove Shopping Centre, Nanaimo North Town Centre. Built on a 0.91 acre site, Nanaimo 3 comprises 59 multi-family suites, ranging in size from bachelor to two bedrooms, in one mid-rise building.

PARKSVILLE

Parksville was completed in 2020 and is located approximately 149 kilometers northwest of downtown Victoria and 40 kilometers northwest of downtown Nanaimo at 155 Moilliet Street, Parksville, BC. The property is near the beach, downtown shopping, public transit and a host of commercial amenities. Built on a 1.50 acre site, Parksville comprises 74 multi-family suites, ranging in size from bachelor to large two bedrooms, in one mid-rise building.

CAMPBELL 2

Campbell 2 was completed in 2020 and is located approximately 261 kilometers northwest of downtown Victoria and 150 kilometers northwest of downtown Nanaimo at 2338 South Island Highway, Campbell River, BC. The property is located across from the ocean and from Campbell River's Sea walk, a short distance from Willow's Market. Built on a 1.20 acre site, Campbell 2 comprises 70 multi-family suites, ranging in size from bachelor to three bedrooms, in one mid-rise building.

NORTH VANCOUVER

North Vancouver was completed in 2020 and is located approximately 13 kilometers northeast of downtown Vancouver at 2670 Library Lane, North Vancouver, BC. The property is near several regional parks and golf clubs with direct bus access to Lonsdale Quay and Capilano University. Built on a 0.67 acre site, North Vancouver comprises 75 multi-family suites, ranging in size from bachelor to three bedrooms, in one mid-rise building.

STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND - Q2 2026 MD&ANotes to readers | Future outlook | Our business | **Highlights** | Financial performance | Other disclosures | Schedule A**FINANCIAL AND OPERATIONAL HIGHLIGHTS**

This section includes highlights of the financial and operating performance of the Fund as at June 30, 2026 and for the periods ended Q2-2026 and YTD-2026 including a comparison to the Fund's financial and operational performance as at December 31, 2025 and for the period ended Q2-2025 and YTD-2025.

HIGHLIGHTS FOR Q2-2026

- The Fund achieved AMR growth of approximately 3.5% between Q2-2025 and Q2-2026 including the impact of acquisition of SW1 properties. The growth continues to be driven by sustained demand for multi-family suites and overall immigration levels in Canada and the Primary Markets.
- Revenue from property operations and NOI¹ for Q2-2026 were \$8,579 and \$5,995 (Q2-2025 - \$5,452 and \$3,802), respectively, representing an increase in revenue and NOI of 57.4% and 57.7%, respectively, primarily due to the difference in the number of Properties owned between the two periods as a result of the acquisition of SW1 in Q4-2025 ("Primary Variance Driver") (see "Results of Operations").
- Same Property NOI¹ for Q2-2026 was \$3,869 (Q2-2025 - \$3,802), representing an increase of \$67 or 1.8% relative to Q2-2025 driven primarily by same property revenue growth of 1.6% (see "NOI - Same Property").
- The Fund reported Physical Occupancy¹ of 95.0% as at June 30, 2026.
- The Fund reported a net loss and comprehensive loss for Q2-2026 of \$398 (Q2-2025 - loss of \$177). The higher loss in Q2-2026 was primarily driven by non-recurring non-cash items.
- The Fund had approximately \$31,551 of available liquidity as at June 30, 2026, including \$20,000 of availability under the Fund's credit facilities.
- As at August 11, 2026, the Fund had collected approximately 99.3% of rents for Q2-2026, with further amounts expected to be collected in future periods, demonstrating the Fund's high quality resident base and operating performance.
- AFFO¹ for Q2-2026 was \$1,954 (Q2-2025 - \$964), representing an increase of \$990 or 102.7% relative to Q2-2025, primarily due to higher NOI being partially offset by higher finance costs and fund and trust expenses as a result of the Primary Variance Driver, as well as the impact of same property NOI growth of 1.8% (see "Non-IFRS Financial Measures").

HIGHLIGHTS FOR YTD-2026

- Revenue from property operations and NOI for YTD-2026 were \$17,221 and \$12,024 (YTD-2025 - \$10,912 and \$7,599), respectively, representing an increase in revenue and NOI of 57.8% and 58.2%, respectively relative to YTD-2025, primarily due to the Primary Variance Driver and AMR growth of approximately 3.5% between Q2-2025 and Q2-2026 (see "Results of Operations").
- Same Property NOI for YTD-2026 was \$7,856 (YTD-2025 - \$7,599), representing an increase of \$257 or 3.4% relative to YTD-2025 driven by same property revenue growth due to the AMR growth between the two periods, as well as lower operating costs (see "NOI - Same Property").
- The Fund reported a net loss and comprehensive loss for YTD-2026 of \$581 (YTD-2025 - net income of \$68). The loss in YTD-2026 was primarily attributable to non-cash items including fair value loss on investment properties as well as higher finance costs, fund and trust expenses and distributions as compared to YTD-2025, as well as a higher recovery related to the provision for carried interest in YTD-2025 with YTD-2026 having no comparable recovery or expense.
- AFFO for YTD-2026 was \$3,849 (YTD-2025 - \$1,943), representing an increase of \$1,906 or 98.1% relative to YTD-2025 primarily due to higher NOI being partially offset by higher finance costs and fund and trust expenses as a result of the Primary Variance Driver, as well as the impact of Same Property NOI growth (see "Non-IFRS Financial Measures").

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").

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

	June 30, 2026		December 31, 2025	
Key multi-family operational information				
Number of multi-family properties owned	15		15	
Total multi-family suites	1,413		1,413	
Economic Occupancy ⁽¹⁾⁽²⁾	89.9%		91.8%	
Physical Occupancy ⁽¹⁾	95.0%		94.8%	
AMR (in actual dollars)	\$	2,110	\$	2,100
AMR per square foot (in actual dollars)	\$	2.66	\$	2.64
Selected financial information				
Gross Book Value ⁽²⁾	\$	639,400	\$	639,400
Indebtedness ⁽²⁾	\$	407,522	\$	410,899
Indebtedness to Gross Book Value ⁽²⁾	63.7%		64.3%	
Weighted average interest rate - as at period end ⁽³⁾	3.06%		2.92%	
Weighted average loan term to maturity	3.99 years		4.14 years	
	Q2-2026	Q2-2025	YTD-2026	YTD-2025
Summarized income statement				
Revenue from property operations	\$ 8,579	\$ 5,452	\$ 17,221	\$ 10,912
Property operating	(1,857)	(1,158)	(3,777)	(2,401)
Property taxes	(727)	(492)	(1,420)	(912)
Adjusted Income from Operations / NOI	5,995	3,802	12,024	7,599
Fund and trust expenses	(814)	(550)	(1,770)	(1,076)
Finance costs ⁽⁴⁾	(3,494)	(2,575)	(6,936)	(5,150)
Other income and expense ⁽⁵⁾	(2,085)	(854)	(3,899)	(1,305)
Net (loss) income and comprehensive (loss) income	\$ (398)	\$ (177)	\$ (581)	\$ 68
Other selected financial information				
FFO ⁽²⁾	\$ 1,687	\$ 677	\$ 3,318	\$ 1,373
FFO per Unit - basic and diluted ⁽⁶⁾	0.08	0.05	0.16	0.11
AFFO ⁽²⁾	1,954	964	3,849	1,943
AFFO per Unit - basic and diluted ⁽⁶⁾	0.09	0.07	0.18	0.15
Weighted average interest rate - average during period	3.05%	3.25%	3.05%	3.26%
Interest Coverage Ratio ⁽²⁾⁽⁷⁾	1.71x	1.51x	1.71x	1.51x
Indebtedness Coverage Ratio ⁽²⁾⁽⁷⁾	1.10x	1.03x	1.09x	1.03x
Distributions ⁽⁶⁾	\$ 1,623	\$ 1,132	\$ 3,247	\$ 2,264
Weighted average Units outstanding - basic and diluted (000s) ⁽⁶⁾	21,307	12,932	21,312	12,937

⁽¹⁾ Economic Occupancy for Q2-2026 and Q4-2025 and Physical Occupancy as at the end of each applicable reporting period. The Fund's Economic Occupancy for Q2-2026 was 89.9% including the impact of any concessions to residents and is presented as an average throughout the reporting period. Physical Occupancy as at the end of the period was 95.0%, as the Fund focused on increasing the Physical Occupancy at the Properties and one-time concessions declined towards the end of Q2-2026.

⁽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").

⁽³⁾ The weighted average interest rate on loans payable is presented as at June 30, 2026 and December 31, 2025, respectively.

⁽⁴⁾ Finance costs include interest expense on loans payable as well as non-cash amortization of deferred financing costs and other financing costs (see "Other Income and Expenses").

⁽⁵⁾ Includes distributions to Unitholders, fair value adjustment of investment properties and provision for carried interest. Refer to "Financial Performance" for detailed income statement information as well as "Other Income and Expenses" section for commentary on variances related to each significant variance included within other income and expense items.

⁽⁶⁾ Weighted average Units outstanding, FFO per Unit and AFFO per Unit include all of the Fund's Units including any Units of the Fund's subsidiaries relating to the non-controlling interests. Distributions also include amounts declared to all Unitholders.

⁽⁷⁾ See "Capital Structure and Debt Profile" for further commentary on the Fund's Interest Coverage Ratio and Indebtedness Coverage Ratio.

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FINANCIAL PERFORMANCE

The table below presents the financial performance of the Fund in accordance with IFRS for Q2-2026 and the previous seven quarters:

	Q2-2026	Q1-2026	Q4-2025	Q3-2025	Q2-2025	Q1-2025	Q4-2024	Q3-2024
Revenue from property operations	\$ 8,579	\$ 8,642	\$ 6,094	\$ 5,477	\$ 5,452	\$ 5,460	\$ 5,484	\$ 5,502
Property operating	(1,857)	(1,920)	(1,453)	(1,158)	(1,158)	(1,243)	(1,229)	(1,313)
Property taxes	(727)	(693)	(490)	(455)	(492)	(420)	(421)	(420)
Income from rental operations	5,995	6,029	4,151	3,864	3,802	3,797	3,834	3,769
Fund and trust expenses	(814)	(956)	(520)	(512)	(550)	(526)	(522)	(555)
Finance costs ⁽¹⁾	(3,494)	(3,442)	(2,879)	(2,598)	(2,575)	(2,575)	(2,585)	(2,667)
Distributions ⁽²⁾	(1,623)	(1,624)	(1,294)	(1,130)	(1,132)	(1,132)	(1,133)	(1,134)
Fair value adjustment of investment properties	(462)	(190)	748	887	—	—	(17,835)	1,297
Provision for carried interest	—	—	(1,645)	—	278	681	9,544	—
Net (loss) income and comprehensive (loss) income	\$ (398)	\$ (183)	\$ (1,439)	\$ 511	\$ (177)	\$ 245	\$ (8,697)	\$ 710
Net (loss) income and comprehensive (loss) income attributable to:								
Unitholders	(244)	(113)	(1,472)	511	(177)	245	(8,697)	710
Non-controlling interests	(154)	(70)	33	—	—	—	—	—
Net (loss) income and comprehensive (loss) income	\$ (398)	\$ (183)	\$ (1,439)	\$ 511	\$ (177)	\$ 245	\$ (8,697)	\$ 710
FFO	\$ 1,687	\$ 1,631	\$ 752	\$ 754	\$ 677	\$ 696	\$ 727	\$ 547
AFFO	1,954	1,895	1,196	1,044	964	979	1,004	847
FFO per Unit - basic and diluted ⁽²⁾	0.08	0.08	0.05	0.06	0.05	0.05	0.06	0.04
AFFO per Unit - basic and diluted ⁽²⁾	0.09	0.09	0.08	0.08	0.07	0.08	0.08	0.07
Distributions per Unit ⁽²⁾	0.08	0.08	0.09	0.09	0.09	0.09	0.09	0.09

⁽¹⁾ Finance costs include interest expense on loans payable as well as non-cash amortization of deferred financing costs and other financing costs (see "Other Income and Expenses").

⁽²⁾ Distributions per Unit, FFO per Unit and AFFO per Unit include all of the Fund's Unitholders including non-controlling interests. Distributions also include amounts declared to all Unitholders.

RESULTS OF OPERATIONS

The results for Q2-2026 and YTD-2026 reflected the operations for the three and six months ended June 30, 2026 for the Initial Properties as well as the Subsequent Properties. In comparison, the results for Q2-2025 and YTD-2025 comparative periods reflected the operations for the three and six months ended June 30, 2025 for the Initial Properties.

The variances reflected in the results of operations between Q2-2026 and Q2-2025, as well as between YTD-2026 and YTD-2025 were primarily as a result of the Primary Variance Driver.

The amounts presented throughout this section, including the applicable commentary, include any amounts attributable to the non-controlling interests.

	Q2-2026	Q2-2025	\$ Chg	% Chg	YTD-2026	YTD-2025	\$ Chg	% Chg
Revenue from property operations	\$ 8,579	\$ 5,452	\$ 3,127	57.4%	\$ 17,221	\$ 10,912	\$ 6,309	57.8%
Property operating	(1,857)	(1,158)	(699)	(60.4)%	(3,777)	(2,401)	(1,376)	(57.3)%
Property taxes	(727)	(492)	(235)	(47.8)%	(1,420)	(912)	(508)	(55.7)%
NOI	\$ 5,995	\$ 3,802	\$ 2,193	57.7%	\$ 12,024	\$ 7,599	\$ 4,425	58.2%
NOI Margin⁽¹⁾	69.9%	69.7%			69.8%	69.6%		

⁽¹⁾ This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "Non-IFRS Financial Measures").

REVENUE FROM PROPERTY OPERATIONS

Revenue from property operations includes monthly rent charges for the lease of multi-family suites, other ancillary income and the reimbursement by the residents for certain utility expenses incurred. Other ancillary income may include, but is not limited to, amounts from forfeited deposits, late fees, short notice fees, cleaning fees, lease termination fees, application fees and pet fees. Net rental income is the only material component of total revenue from property operations comprising

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approximately 95% thereof, with other ancillary income and utility expense reimbursements comprising the remaining approximate 5%.

Revenue from property operations for Q2-2026 was \$8,579 (Q2-2025 - \$5,452), representing an increase of \$3,127 or 57.4% relative to Q2-2025, primarily due to the impact of Primary Variance Driver as well as increase in same property revenue of 1.4% (see “Results of Operations - Same Property”), driven by AMR growth of 1.6% and consistent same property Economic Occupancy during Q2-2026 relative to Q2-2025 (see “Average Monthly Rent and Occupancy”).

Revenue from property operations for YTD-2026 was \$17,221 (YTD-2025 - \$10,912), representing an increase of \$6,309 or 57.8% relative to YTD-2025, primarily due to the Primary Variance Driver as well as increase in same property revenue of 1.8% (see “Results of Operations - Same Property”), driven by AMR growth and stable same property Economic Occupancy (see “Average Monthly Rent and Occupancy”).

PROPERTY OPERATING COSTS

The main components of property operating costs are repairs and maintenance expenses (approximately 24%), administrative costs including property management fees (approximately 21%), utility costs (approximately 14%), salaries and benefits (approximately 10%) and insurance expenses (approximately 8%). Given each component of property operating costs is not individually material, such amounts have not been separately disclosed.

Property operating costs for Q2-2026 were \$1,857 (Q2-2025 - \$1,158). The increase of \$699 relative to Q2-2025 is due primarily to the Primary Variance Driver.

Property operating costs for YTD-2026 were \$3,777 (YTD-2025 - \$2,401). The increase of \$1,376 relative to YTD-2025 is primarily due to the Primary Variance Driver, partially offset by 5.1% decrease in same property operating costs during YTD-2026 relative to YTD-2025 (see “Results of Operations - Same Property”).

PROPERTY TAXES

Property taxes for Q2-2026 and YTD-2026 were \$727 and \$1,420 (Q2-2025 and YTD-2025 - \$492 and \$912), respectively, representing increases of \$235 and \$508 relative to Q2-2025 and YTD-2025 primarily due to the Primary Variance Driver as well as an increase in same property taxes (see “Results of Operations - Same Property”).

The Fund actively manages the assessed values of its Properties to minimize property taxes by utilizing third party consultants, which includes appealing against the assessed values where deemed appropriate by the Manager.

NOI AND NOI MARGIN

NOI for Q2-2026 and YTD-2026 was \$5,995 and \$12,024 (Q2-2025 and YTD-2025 - \$3,802 and \$7,599), respectively, representing an increase of \$2,193 or 57.7% and an increase of \$4,425 or 58.2% relative to Q2-2025 and YTD-2025, primarily due to the Primary Variance Driver.

During Q2-2026 and YTD-2026, the NOI Margin was 69.9% and 69.8% (Q2-2025 and YTD-2025 - 69.7% and 69.6%), respectively, representing increases of 20 and 20 basis points relative to Q2-2025 and YTD-2025, primarily due to same reasons as noted above for NOI.

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AVERAGE MONTHLY RENT AND OCCUPANCY

The following table presents AMR (in actual dollars) as well as Economic Occupancy for the Properties:

Properties	Suites	AMR ⁽¹⁾			Economic Occupancy ⁽¹⁾					
		Q2-2026	Q2-2025	% Chg	Q2-2026	Q2-2025	% Chg	YTD-2026	YTD-2025	% Chg
Nanaimo	251	\$ 2,206	\$ 2,167	1.8 %	96.4 %	88.7 %	7.7 %	95.3 %	90.7 %	4.6 %
Langford	60	2,048	2,029	0.9 %	84.7 %	88.4 %	(3.7)%	87.2 %	88.4 %	(1.2)%
Vernon	60	2,012	1,960	2.7 %	90.8 %	90.7 %	0.1 %	88.0 %	90.4 %	(2.4)%
Vernon 2	43	2,021	1,944	4.0 %	88.6 %	88.3 %	0.3 %	86.1 %	90.2 %	(4.1)%
Langford 2	81	2,053	2,028	1.2 %	89.3 %	88.0 %	1.3 %	90.8 %	89.8 %	1.0 %
Langford 3	166	1,888	1,878	0.5 %	87.2 %	93.9 %	(6.7)%	89.0 %	91.6 %	(2.6)%
Langley	57	2,077	2,062	0.7 %	78.3 %	96.1 %	(17.8)%	82.0 %	93.9 %	(11.9)%
Nanaimo 2	120	2,103	2,065	1.8 %	93.4 %	84.2 %	9.2 %	94.8 %	86.0 %	8.8 %
Langford 4	106	2,086	2,045	2.0 %	81.0 %	91.0 %	(10.0)%	82.8 %	91.3 %	(8.5)%
Campbell	51	1,988	n/a	n/a	92.2 %	n/a	n/a	90.3 %	— %	90.3 %
Kelowna	140	1,879	n/a	n/a	92.7 %	n/a	n/a	92.5 %	— %	92.5 %
Nanaimo 3	59	1,974	n/a	n/a	89.4 %	n/a	n/a	93.0 %	— %	93.0 %
Parksville	74	2,024	n/a	n/a	93.6 %	n/a	n/a	90.1 %	— %	90.1 %
Campbell 2	70	2,103	n/a	n/a	94.2 %	n/a	n/a	92.9 %	— %	92.9 %
North Vancouver	75	3,311	n/a	n/a	84.0 %	n/a	n/a	81.3 %	— %	81.3 %
Total properties	1,413	\$ 2,110	\$ 2,039	3.5 %	89.9 %	89.7 %	0.2 %	89.9 %	90.2 %	(0.3)%
Same property⁽²⁾	944	\$ 2,072	\$ 2,039	1.6 %	89.6 %	89.7 %	(0.1)%	90.2 %	90.2 %	— %

⁽¹⁾ Figures represent results as at the reporting period end for AMR and average during the reporting period for Economic Occupancy.

⁽²⁾ Same property figures represent results for the Initial Properties.

Total portfolio AMR for Q2-2026 was \$2,110, or 3.5% higher than Q2-2025 primarily due to the Fund achieving same property AMR growth of 1.6% as a result of the Fund focusing on balancing rent increases and targeted occupancy levels at the Properties.

Fund's Economic Occupancy for Q2-2026 was 89.9% (Q2-2025 - 89.7%), representing an increase of 20 basis points relative to Q2-2025, which includes the impact of the Primary Variance Driver. Same property Economic Occupancy for Q2-2025 remained consistent relative to Q2-2025.

Fund's Economic Occupancy for YTD-2026 was 89.9% (YTD-2025 - 90.2%), representing a decrease of 30 basis points relative to YTD-2025, primarily due to occupancy challenges at Langley property. Excluding the impact of Langley, Economic Occupancy would have been consistent with YTD-2025. Same property Economic Occupancy for YTD-2026 remained consistent relative to YTD-2025, with the Fund balancing rental growth and occupancy at each Property to maximize revenue as well as increase in Economic Occupancy at Nanaimo properties as compared to Q2-2025 and YTD-2025. As at June 30, 2026, the Fund had Physical Occupancy of 95.0%, as it focused mainly on leasing. The Fund continues to focus on maximizing revenue through maintaining targeted occupancy levels, ancillary income growth and optimizing rental rates as evidenced by the year-over-year AMR increase outlined above.

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QUARTERLY AMR AND OCCUPANCY

The table below outlines the Fund's quarterly AMR and Economic Occupancy results for Q2-2026 and the previous four quarters:

Properties	Suites	Q2-2026		Q1-2026		Q4-2025		Q3-2025		Q2-2025	
		AMR ⁽¹⁾	Econ. occ% ⁽¹⁾	AMR ⁽¹⁾	Econ. occ% ⁽¹⁾	AMR ⁽¹⁾	Econ. occ% ⁽¹⁾	AMR ⁽¹⁾	Econ. occ% ⁽¹⁾	AMR ⁽¹⁾	Econ. occ% ⁽¹⁾
Nanaimo	251	\$ 2,206	96.4 %	\$ 2,195	94.1 %	\$ 2,184	95.6 %	\$ 2,183	92.0 %	\$ 2,167	88.7 %
Langford	60	2,048	84.7 %	2,029	89.7 %	2,027	86.1 %	2,014	81.9 %	2,029	88.4 %
Vernon	60	2,012	90.8 %	1,991	85.1 %	1,990	88.7 %	1,982	86.2 %	1,960	90.7 %
Vernon 2	43	2,021	88.6 %	2,024	83.5 %	1,990	84.3 %	1,950	93.5 %	1,944	88.3 %
Langford 2	81	2,053	89.3 %	2,055	92.2 %	2,046	91.9 %	2,019	83.5 %	2,028	88.0 %
Langford 3	166	1,888	87.2 %	1,910	90.8 %	1,905	90.8 %	1,884	90.1 %	1,878	93.9 %
Langley	57	2,077	78.3 %	2,077	85.8 %	2,063	83.9 %	2,052	96.5 %	2,062	96.1 %
Nanaimo 2	120	2,103	93.4 %	2,072	96.2 %	2,073	95.5 %	2,067	91.3 %	2,065	84.2 %
Langford 4	106	2,086	81.0 %	2,074	84.6 %	2,075	92.7 %	2,062	90.6 %	2,045	91.0 %
Campbell	51	1,988	92.2 %	1,986	88.3 %	1,992	86.8 %	n/a	n/a	n/a	n/a
Kelowna	140	1,879	92.7 %	1,891	95.1 %	1,892	91.3 %	n/a	n/a	n/a	n/a
Nanaimo 3	59	1,974	89.4 %	1,954	96.7 %	1,946	93.0 %	n/a	n/a	n/a	n/a
Parksville	74	2,024	93.6 %	2,003	86.7 %	1,994	97.3 %	n/a	n/a	n/a	n/a
Campbell 2	70	2,103	94.2 %	2,088	91.5 %	2,087	90.2 %	n/a	n/a	n/a	n/a
North Vancouver	75	3,311	84.0 %	3,323	78.3 %	3,320	83.1 %	n/a	n/a	n/a	n/a
Total portfolio	1,413	\$ 2,110	89.9 %	\$ 2,105	90.1 %	\$ 2,100	91.8 %	\$ 2,046	90.0 %	\$ 2,039	89.7 %
Same property⁽²⁾	944	\$ 2,072	89.6 %	\$ 2,065	90.8 %	\$ 2,058	91.9 %	\$ 2,046	90.0 %	\$ 2,039	89.7 %

⁽¹⁾ Figures represent results as at the reporting period end for AMR and the average during the reporting period for Economic Occupancy.

⁽²⁾ Same property figures represent results for the Initial Properties.

The Fund's AMR increased to \$2,110 during Q2-2026 primarily as a result of the Fund focusing on rent increases at the Properties, which consistently increased over the preceding four quarters. In addition, the Economic Occupancy during Q2-2026 remained relatively consistent with Q1-2026. As at June 30, 2026, the Fund had Physical Occupancy of 95.0%. The Fund continues to focus on increasing occupancy to the Fund's targeted range while also optimizing rent growth to maximize revenue.

RESULTS OF OPERATIONS - SAME PROPERTY

The table below presents same property financial results which includes only the Initial Properties for Q2-2026 and YTD-2026 compared to Q2-2025 and YTD-2025 (representing 944 suites):

	Q2-2026	Q2-2025	\$ Chg	% Chg	YTD-2026	YTD-2025	\$ Chg	% Chg
Revenue from property operations	\$ 5,526	\$ 5,452	\$ 74	1.4 %	\$ 11,109	\$ 10,912	\$ 197	1.8 %
Property operating	(1,157)	(1,158)	1	0.1 %	(2,279)	(2,401)	122	5.1 %
Property taxes	(500)	(492)	(8)	(1.6)%	(974)	(912)	(62)	(6.8)%
NOI	\$ 3,869	\$ 3,802	\$ 67	1.8 %	\$ 7,856	\$ 7,599	\$ 257	3.4 %
NOI Margin	70.0 %	69.7 %			70.7 %	69.6 %		

REVENUE FROM PROPERTY OPERATIONS – SAME PROPERTY

Same property revenue from property operations for Q2-2026 was \$5,526 (Q2-2025 - \$5,452), representing an increase of \$74 or 1.4% relative to Q2-2025, primarily as a result of year-over-year same property AMR growth of 1.6% and consistent same property Economic Occupancy (see "Average Monthly Rent and Occupancy").

Same property revenue from property operations for YTD-2026 was \$11,109 (YTD-2025 - \$10,912), representing an increase of \$197 or 1.8% relative to YTD-2025 due to the impact of year-over-year same property AMR growth and consistent Economic Occupancy (see "Average Monthly Rent and Occupancy").

PROPERTY OPERATING COSTS – SAME PROPERTY

Same property operating costs for Q2-2026 were \$1,157 (Q2-2025 - \$1,158). The same property operating costs for Q2-2026 remained consistent with Q2-2025.

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Same property operating costs for YTD-2026 were \$2,279 (YTD-2025 - \$2,401), representing a decrease of \$122 or 5.1% relative to YTD-2025, primarily due to lower negotiated insurance premiums and reductions in repair and maintenance costs, offset by higher marketing and advertising costs to increase occupancy.

PROPERTY TAXES – SAME PROPERTY

Same property taxes for Q2-2026 and YTD-2026 were \$500 and \$974 (Q2-2025 and YTD-2025 - \$492 and \$912), representing an increase of \$8 and \$62 or 1.6% and 6.8% relative to Q2-2025 and YTD-2025, respectively, primarily due to increases in the tax rates and assessed values of the Properties. Q2-2026 included certain adjustments of property tax amounts based on the true-up of tax amounts at that time. Excluding such adjustments, Q2-2026 property taxes would have increased by approximately 6.8% as compared to normalized Q2-2025 property taxes.

NOI – SAME PROPERTY

Same Property NOI for Q2-2026 was \$3,869 (Q2-2025 - \$3,802), representing an increase of \$67 or 1.8% relative to Q2-2025, primarily driven by same property revenue growth, partially offset by the increase in same property taxes as described above.

Same Property NOI for YTD-2026 was \$7,856 (YTD-2025 - \$7,599), representing an increase of \$257 or 3.4% relative to YTD-2025, primarily driven by same property revenue growth and lower same property operating costs, partially offset by the increase in same property taxes.

During Q2-2026, the same property NOI Margin was 70.0% (Q2-2025 - 69.7%), representing an increase of 30 basis points relative to Q2-2025, primarily driven by same property revenue growth, partially offset by the increase in same property taxes as described above.

During YTD-2026, the same property NOI Margin was 70.7% (YTD-2025 - 69.6%), representing an increase of 110 basis points relative to Q2-2025 and YTD-2025, primarily driven by higher same property revenue and lower same property operating costs as described above.

OTHER INCOME AND EXPENSES

FINANCE COSTS

The amounts presented throughout this section, including the applicable commentary, included any amounts attributable to the non-controlling interests.

The Fund's finance costs for Q2-2026 and YTD-2026 compared to Q2-2025 and YTD-2025 are summarized below:

	Q2-2026	Q2-2025	\$ Chg	% Chg	YTD-2026	YTD-2025	\$ Chg	% Chg
Interest expense on loans payable	\$ 3,022	\$ 2,156	\$ 866	40.2 %	\$ 5,996	\$ 4,317	\$ 1,679	38.9 %
Amortization of financing costs	337	334	3	0.9 %	671	664	7	1.1 %
Other financing costs	135	85	50	58.8 %	269	169	100	59.2 %
Total finance costs	\$ 3,494	\$ 2,575	\$ 919	35.7 %	\$ 6,936	\$ 5,150	\$ 1,786	34.7 %
Weighted average interest rate - average during period	3.05%	3.25%	n/a	n/a	3.05%	3.26%	n/a	n/a
Indebtedness - average outstanding during period	\$ 408,084	\$ 267,902	\$ 140,182	52.3 %	\$ 408,933	\$ 268,934	\$ 139,999	52.1 %

Interest expense on loans payable

Interest expense on loans payable for Q2-2026 and YTD-2026 was \$3,022 and \$5,996 (Q2-2025 and YTD-2025 - \$2,156 and \$4,317), representing an increase of \$866 and \$1,679 or 40.2% and 38.9% relative to Q2-2025 and YTD-2025, respectively, primarily as a result of increase in average outstanding debt due to the Primary Variance Driver, partially offset by the impact of reductions in the weighted average interest rate.

The Fund's weighted average interest rate during Q2-2026 and YTD-2026 was 3.05% (Q2-2025 and YTD-2025 - 3.25% and 3.26%), respectively, representing a decrease of 20 and 21 basis points relative to Q2-2025 and YTD-2025 respectively, primarily due to the reduced exposure to variable rate debt, Primary Variance Driver and reduction in the weighted average interest rate on the Fund's variable rate loans.

Amortization of financing costs

Amortization of financing costs for Q2-2026 and YTD-2026 was \$337 and \$671 (Q2-2025 and YTD-2025 - \$334 and \$664), respectively, representing an increase of \$3 and \$7 or 0.9% and 1.1% relative to Q2-2025 and YTD-2025.

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Other financing costs

Other financing costs for Q2-2026 and YTD-2026 were \$135 and \$269 (Q2-2025 and YTD-2025 - \$85 and \$169), representing an increase of \$50 and \$100 or 58.8% and 59.2%, respectively, primarily due to the higher guarantee fees paid as a result of higher drawn balance of credit facilities in Q2-2026 as compared to Q2-2025 as well as the impact of the Primary Variance Driver.

DISTRIBUTIONS TO UNITHOLDERS

The Fund intends to declare monthly cash distributions no later than seven business days prior to the end of each month, payable within 15 days following the end of the month (or the next business day if not a business day) in which the distribution is declared to Unitholders as at month-end.

Distributions to Unitholders of the Fund

During YTD-2026, the Fund declared distributions to Unitholders as follows:

Class A	Class B	Class C
\$0.15150	\$0.14694	\$0.15510

Distributions to non-controlling interests

During YTD-2026, the Fund declared distributions to non-controlling interests as follows:

Class A LP	Class B LP
\$0.15510	\$0.15510

For Q2-2026 and YTD-2026, the Fund declared distributions totaling \$1,623 and \$3,247 (Q2-2025 and YTD-2025 - \$1,132 and \$2,264), representing an increase of \$491 or 43.4% and \$983 or 43.4% relative to Q2-2025 and YTD-2025, primarily as a result of additional distributions declared to the new Unitholders from the acquisition of SW1.

FUND AND TRUST EXPENSES

Fund and trust expenses include costs incurred by the Fund that are not directly attributable to the Properties. These costs include items such as legal and audit fees, director fees, investor relations expenses, directors' and officers' insurance premiums, expenses relating to the administration of any distributions paid by the Fund and other general and administrative expenses associated with the operation of the Fund. Also included in fund and trust expenses are asset management fees payable to the Manager (see "Related Party Transactions and Arrangements – Arrangements with the Manager").

Fund and trust expenses for Q2-2026 and YTD-2026 were \$814 and \$1,770 (Q2-2025 and YTD-2025 - \$550 and \$1,076), representing an increase of \$264 or 48.0% and \$694 or 64.5% relative to Q2-2025 and YTD-2025, respectively. The increases were primarily due to the Primary Variance Driver.

INVESTMENT PROPERTIES

The Fund has selected the fair value method to account for real estate classified as investment properties. Fair values are supported by a combination of internal financial information and market data. The determination of fair value is based on, among other things, the amount of rental income from future leases reflecting current market conditions, adjusted for assumptions of future cash flows in respect of current and future leases, capitalization rates and expected occupancy rates.

Change in investment properties from January 1, 2025 to June 30, 2026:		Amount
Balance, January 1, 2025	\$	414,480
Acquisitions		220,020
Additions		3,265
Fair value adjustment		1,635
Balance, December 31, 2025		639,400
Additions		652
Fair value adjustment		(652)
Balance, June 30, 2026	\$	639,400

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	June 30, 2026	December 31, 2025
Reconciliation of cost base of investment properties to their fair value:		
Cost	\$ 603,496	\$ 602,879
Cumulative fair value adjustments	35,904	36,521
Fair value	\$ 639,400	\$ 639,400

The key valuation assumptions for the investment properties are set out in the following table:

	June 30, 2026	December 31, 2025
Capitalization rate - range	3.75% to 5.00%	3.75% to 5.00%
Capitalization rate - weighted average	4.43 %	4.43 %
Weighted average capitalization rate - 10 basis point increase ⁽¹⁾	\$ (14,115)	\$ (14,115)
Weighted average capitalization rate - 10 basis point decrease ⁽¹⁾	\$ 14,767	\$ 14,767

⁽¹⁾ The impact of change in weighted average capitalization rate to the fair value of the Fund's investment properties.

During Q2-2026 and YTD-2026, the Fund recorded fair value loss on investment properties of \$462 and \$652 (Q2-2025 and YTD-2025 - \$nil). Excluding the impact of capital additions of \$652 during Q2-2026, the Fund would have recorded no fair value gain or loss.

The impact of a 1% change in NOI used to value the investment properties as at June 30, 2026 would affect the fair value by approximately \$6,394 (December 31, 2025 - \$6,394).

PROVISION FOR CARRIED INTEREST

As at June 30, 2026, the Fund recognized a provision for carried interest of \$nil, resulting in a recovery recorded to the condensed consolidated interim statement of (loss) income and comprehensive (loss) income for Q2-2026 and YTD-2026 of \$nil (Q2-2025 and YTD-2025 - \$278 and \$959) (see "Related Party Transactions and Arrangements").

INCOME TAXES

The Fund qualifies as a mutual fund trust for Canadian income tax purposes pursuant to the Income Tax Act (Canada) (the "Tax Act"). In accordance with the terms of the Declaration of Trust, the Fund intends to distribute its income for income tax purposes each year to such an extent that it will not be liable for income taxes under Part I of the Tax Act. The Fund is eligible to claim a tax deduction for distributions paid and intends to continue to meet the requirements under the Tax Act. Accordingly, no provision for income taxes payable is required or has been made. Income tax obligations relating to distributions of the Fund are the obligations of the Unitholders.

DISTRIBUTIONS TO UNITHOLDERS RELATIVE TO NET INCOME AND COMPREHENSIVE INCOME ATTRIBUTABLE TO UNITHOLDERS

	Q2-2026	Q2-2025	YTD-2026	YTD-2025
Net (loss) income and comprehensive (loss) income	\$ (398)	\$ (177)	\$ (581)	\$ 68
Add: non-cash or one-time items and distributions ⁽¹⁾	2,422	1,188	4,570	1,969
Adjusted net income and comprehensive income ⁽²⁾	2,024	1,011	3,989	2,037
Distributions	1,623	1,132	3,247	2,264
Excess (shortfall) of adjusted net income and comprehensive income over distributions to Unitholders	\$ 401	\$ (121)	\$ 742	\$ (227)

⁽¹⁾ Comprised of amortization of financing costs, distributions 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").

The Fund covered any shortfall between adjusted net income and comprehensive income and distributions using cash generated from operating activities of the Fund as applicable through cash on hand. The Fund was formed as a "closed-end" fund with an initial term of three years and a targeted minimum 12% pre-tax total investor internal rate of return across all classes of Units. The Fund continues to actively monitor liquidity to ensure appropriate level of capital is available to fund the ongoing operations of the Fund (see "Distributions to Unitholders").

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NON-IFRS FINANCIAL MEASURES - FFO AND AFFO

Non-IFRS financial measures have been presented below for Q2-2026 and YTD-2026 compared to Q2-2025 and YTD-2025.

FFO AND AFFO

A reconciliation of net (loss) income and comprehensive (loss) income, determined in accordance with IFRS, to FFO and AFFO is presented below for Q2-2026 and YTD-2026 compared to Q2-2025 and YTD-2025:

	Q2-2026	Q2-2025	YTD-2026	YTD-2025
Net (loss) income and comprehensive (loss) income	\$ (398)	\$ (177)	\$ (581)	\$ 68
Add / (deduct):				
Distributions	1,623	1,132	3,247	2,264
Fair value adjustment of investment properties	462	—	652	—
Provision for carried interest	—	(278)	—	(959)
FFO	\$ 1,687	\$ 677	\$ 3,318	\$ 1,373
Add / (deduct):				
Amortization of financing costs	337	334	671	664
Sustaining capital expenditures and suite renovation reserves	(70)	(47)	(140)	(94)
AFFO	\$ 1,954	\$ 964	\$ 3,849	\$ 1,943
FFO per Unit - basic and diluted ⁽¹⁾	\$ 0.08	\$ 0.05	\$ 0.16	\$ 0.11
FFO Payout Ratio	96.2 %	167.2 %	97.9 %	164.9 %
AFFO per Unit - basic and diluted ⁽¹⁾	\$ 0.09	\$ 0.07	\$ 0.18	\$ 0.15
AFFO Payout Ratio	83.1 %	117.4 %	84.4 %	116.5 %
Distributions declared ⁽²⁾	\$ 1,623	\$ 1,132	\$ 3,247	\$ 2,264
Weighted average Units outstanding - basic and diluted (000s)	21,307	12,932	21,312	12,937

⁽¹⁾ Weighted average Units outstanding, FFO per Unit and AFFO per Unit include all of the Fund's Unitholders including non-controlling interests.

⁽²⁾ Distributions declared are calculated based on the monthly distribution per Unit of the Fund and non-controlling interests.

FFO

Basic and diluted FFO and FFO per Unit for Q2-2026 were \$1,687 and \$0.08, respectively (Q2-2025 - \$677 and \$0.05), representing an increase in FFO of \$1,010 or 149.2% and an increase in FFO per Unit of \$0.03 relative to Q2-2025, primarily driven by higher NOI being partially offset by higher finance costs and fund and trust expenses as a result of the Primary Variance Driver, as well as the impact of Same Property NOI growth.

Basic and diluted FFO and FFO per Unit for YTD-2026 were \$3,318 and \$0.16, respectively (YTD-2025 - \$1,373 and \$0.11), representing an increase in FFO of \$1,945 or 141.7% and an increase in FFO per Unit of \$0.05 relative to YTD-2025, primarily due to the same reasons as noted above for Q2-2026.

AFFO

Basic and diluted AFFO and AFFO per Unit for Q2-2026 were \$1,954 and \$0.09, respectively (Q2-2025 - \$964 and \$0.07), representing an increase in AFFO of \$990 or 102.7% and an increase in AFFO per Unit of \$0.02 relative to Q2-2025, primarily due to the reasons noted above under FFO.

Basic and diluted AFFO and AFFO per Unit for YTD-2026 were \$3,849 and \$0.18, respectively (YTD-2025 - \$1,943 and \$0.15), representing an increase in AFFO of \$1,906 or 98.1% and an increase in AFFO per Unit of \$0.03 relative to YTD-2025, primarily due to the reasons noted above under FFO.

Sustaining capital expenditures

For the purposes of calculating AFFO, the Fund utilized a reserve for sustaining capital expenditures and suite or home renovations of \$70 and \$140 for Q2-2026 and YTD-2026, respectively (Q2-2025 and YTD-2025 - \$47 and \$94). This reserve is used in the calculation of AFFO as it removes fluctuations in AFFO resulting from seasonality in actual sustaining capital expenditures and suite or home renovation costs. The use of the reserve also eliminates any potential fluctuations in AFFO due to non-recurring or less frequent sustaining capital expenditures. Sustaining capital expenditure reserves are based on third party property condition assessment reports, which provide an estimate of sustaining capital expenditures required based on the quality of construction, age of the building and anticipated future maintenance requirements. Management believes the use of these property assessment reports to estimate sustaining capital expenditure amounts is appropriate given the third party's engineering and structural expertise as well their knowledge and experience with real estate in the Primary Markets.

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Actual sustaining capital expenditures and suite or home renovation costs incurred during Q2-2026 and YTD-2026 were \$71 and \$103 (Q2-2025 and YTD-2025 - \$70 and \$95).

Cash provided by operating activities reconciliation to FFO and AFFO

Reconciliation of cash provided by operating activities determined in accordance with IFRS to FFO and AFFO for Q2-2026, YTD-2026, Q2-2025 and YTD-2025 are provided below:

	Q2-2026	Q2-2025	YTD-2026	YTD-2025
Cash provided by operating activities	\$ 4,863	\$ 3,336	\$ 8,812	\$ 6,437
Less: interest and finance costs	(3,157)	(2,241)	(6,265)	(4,486)
Cash provided by operating activities - including interest costs⁽¹⁾	1,706	1,095	2,547	1,951
Add / (deduct):				
Change in non-cash operating working capital	249	(122)	1,426	84
Change in restricted cash	69	38	16	2
Amortization of financing costs	(337)	(334)	(671)	(664)
FFO	1,687	677	3,318	1,373
Add / (deduct):				
Amortization of financing costs	337	334	671	664
Sustaining capital expenditures and suite renovation reserves	(70)	(47)	(140)	(94)
AFFO	\$ 1,954	\$ 964	\$ 3,849	\$ 1,943

⁽¹⁾ This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "Non-IFRS Financial Measures").

Distributions relative to cash provided by operating activities

The Fund's Cash Provided by Operating Activities Including Interest Costs for Q2-2026 was \$1,706 (Q2-2025 - \$1,095), which was higher than distributions declared by \$83 (Q2-2025 - lower by \$37).

The Fund's Cash Provided by Operating Activities Including Interest Costs for YTD-2026 was \$2,547 (YTD-2025 - \$1,951), which was lower than distributions declared by \$700 (YTD-2025 - lower by \$313).

The Fund covers any shortfall between Cash Provided by Operating Activities Including Interest Costs and distributions using cash generated from operating activities of the Fund in certain periods where applicable, or through cash on hand, including any proceeds from financing activities as applicable or availability on the Fund's credit facilities.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

The Fund expects to be able to meet all of its obligations, including distributions to Unitholders and property maintenance and capital improvements. The Fund has financing sources to fulfill its commitments including cash on hand, cash flow from its operating activities and debt secured by the Properties. As at June 30, 2026, the Fund was in compliance with all of its financial covenants. The Fund continues to evaluate the changes in interest rates and the potential impacts of inflation, if any, on the liquidity and performance of the Canadian multi-family property asset class (see "Future Outlook").

As at June 30, 2026, the Fund had cash on hand of \$11,551 and \$20,000 of availability under the Fund's credit facilities.

The Fund was formed as a "closed-end" fund with an initial term of three years and a targeted minimum 12% pre-tax total investor internal rate of return across all classes of Units. Following the acquisition of SW1 and the resulting larger portfolio of the Properties, the Fund has targeted distribution yield to a range of 2.0% to 3.0% across all classes of Units.

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CASH FLOW

Cash provided by operating activities represents the primary source of liquidity to fund any distributions, debt service and capital improvements. The Fund's cash flow from operating activities is dependent upon the occupancy level of its investment properties, the rental rates on its leases, the collectability of rent from its residents, ancillary revenue, the level of operating and other expenses and other factors. Material changes in these factors may adversely affect the Fund's net cash flow from operating activities and liquidity. A more detailed discussion of these risks is found under the "Risks and Uncertainties" section. The following table details the changes in cash for Q2-2026, YTD-2026, Q2-2025 and YTD-2025:

	Q2-2026	Q2-2025	YTD-2026	YTD-2025
Cash provided by operating activities	\$ 4,863	\$ 3,336	\$ 8,812	\$ 6,437
Cash used in investing activity	(362)	(184)	(652)	(350)
Cash used in financing activities	(6,528)	(3,902)	(13,158)	(8,400)
Decrease in cash and cash equivalents	(2,027)	(750)	(4,998)	(2,313)
Cash, beginning of period	13,578	2,353	16,549	3,916
Cash, end of period	\$ 11,551	\$ 1,603	\$ 11,551	\$ 1,603

Cash provided by operating activities during Q2-2026 and YTD-2026 was \$4,863 and \$8,812, respectively, which primarily consisted of the operating income generated by the Properties, partially offset by changes in restricted cash and non-cash operating working capital.

Cash provided by operating activities during Q2-2025 and YTD-2025 was \$3,336 and \$6,437, respectively, which primarily consisted of the operating income generated by the Properties and changes in non-cash operating working capital.

Cash used in investing activities for Q2-2026 and YTD-2026 was \$362 and \$652 (Q2-2025 and YTD-2025 - \$184 and \$350), respectively, primarily due to capital additions to investment properties.

Cash used in financing activities for Q2-2026 and YTD-2026 was \$6,528 and \$13,158, respectively, which primarily consisted of mortgage and credit facility repayments of \$1,683 and \$3,377, finance costs paid of \$3,148 and \$6,377, distributions paid of \$1,623 and \$3,247 and redemption of Units for \$74 and \$157.

Cash used in financing activities for Q2-2025 and YTD-2025 was \$3,902 and \$8,400, respectively, which primarily consisted of mortgage and credit facility repayments of \$1,015 and \$2,030, finance costs paid of \$2,256 and \$4,543, distributions paid of \$1,132 and \$2,264 and redemption of Units for \$99 and \$163, partially offset by proceeds from new financing of \$600 and \$600.

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CAPITAL STRUCTURE AND DEBT PROFILE
CAPITAL STRUCTURE

The Fund's capital is the aggregate of Indebtedness and net liabilities attributable to Unitholders including non-controlling interests. The Fund's capital management is designed to maintain a level of capital that allows it to implement its business strategy while complying with investment and debt restrictions as well as existing debt covenants, as the Fund continues to build Unitholder value and maintain sufficient capital contingency amounts. The total capital of the Fund as at June 30, 2026 is summarized below:

	June 30, 2026	December 31, 2025
Loans payable ⁽¹⁾	\$ 407,522	\$ 410,899
Net liabilities attributable to Unitholders	150,078	150,592
Non-controlling interests ⁽²⁾	95,450	95,698
Total capital attributable to Unitholders	\$ 653,050	\$ 657,189

⁽¹⁾ Loans payable include fixed rate mortgages and non-revolving term credit facilities.

⁽²⁾ The non-controlling interest reflects the 38.6% minority ownership of SW1 Existing Unitholders in the Fund.

	June 30, 2026	December 31, 2025
Indebtedness to Gross Book Value	63.7%	64.3%
Weighted average interest rate - as at period end	3.06%	2.92%
Weighted average loan term to maturity	3.99 years	4.14 years

	Q2-2026	Q2-2025	YTD-2026	YTD-2025
Weighted average interest rate - average during period	3.05%	3.25%	3.05%	3.26%
Interest Coverage Ratio	1.71x	1.51x	1.71x	1.51x
Indebtedness Coverage Ratio	1.10x	1.03x	1.09x	1.03x

As at June 30, 2026, the overall leverage, as represented by the ratio of Indebtedness to Gross Book Value, was 63.7% (December 31, 2025 - 64.3%) and the weighted average term to maturity was 3.99 years (December 31, 2025 - 4.14 years). The maximum allowable ratio under the Declaration of Trust is 75% as defined therein.

For Q2-2026, the Interest Coverage Ratio and Indebtedness Coverage Ratio were 1.71x and 1.10x, respectively (Q2-2025 - 1.51x and 1.03x). The increase in both ratios during Q2-2026 relative to Q2-2025 was primarily due to higher NOI as well as the impact of lower interest rates on variable debt.

For YTD-2026, the Interest Coverage Ratio and Indebtedness Coverage Ratio were 1.71x and 1.09x, respectively (YTD-2025 - 1.51x and 1.03x). The increase in both ratios during YTD-2026 relative to YTD-2025 was primarily due to the same reasons as noted above for Q2-2026.

LOANS PAYABLE

The following table sets out scheduled principal and interest payments and amounts maturing on the loans over each of the next four fiscal years and the weighted average interest rate of maturing loans based on the Fund's condensed consolidated interim financial statements as at June 30, 2026:

	Scheduled principal payments	Debt maturing during the year	Total loans payable	Percentage of total loans payable	Weighted average interest rate of maturing loans	Scheduled interest payments ⁽¹⁾
2026 - remainder of year	\$ 3,318	\$ —	\$ 3,318	0.8 %	— %	\$ 6,256
2027	5,864	73,664	79,528	19.5 %	3.07 %	10,529
2028	5,704	44,186	49,890	12.2 %	3.99 %	9,823
2029	5,379	39,518	44,897	11.0 %	3.48 %	7,602
2030	3,912	61,383	65,295	16.0 %	2.08 %	5,813
Thereafter	4,303	160,291	164,594	40.5 %	3.09 %	9,302
	\$ 28,480	\$ 379,042	\$ 407,522	100.0 %	3.06 %	\$ 49,325
Unamortized finance costs			(4,499)			
Carrying value			\$ 403,023			

⁽¹⁾ Scheduled interest payments and interest rates on non-revolving term credit facilities are based on the one-month Canadian Overnight Repo Rate Average ("CORRA") as at June 30, 2026.

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FINANCING ACTIVITIES

On December 17, 2025, the Fund repaid a portion of existing credit facilities, including SW1 credit facilities of \$22,911 and entered into two non-revolving term facilities consisting of a fully drawn tranche of \$33,831 and an undrawn tranche of \$20,000, both maturing on December 31, 2028.

On June 1, 2026, the terms related to the first mortgages of Parksville and Campbell 2 properties totaling \$28,505 were modified to extend the maturity date of these loans from June 1, 2026 to June 1, 2031 with the interest rate revised from 1.85% to 3.75%.

COMMITMENTS AND CONTINGENCIES

From time to time in the normal course of business, the Fund may be involved in litigation and claims in relation to its investment properties. As at the date hereof, in the opinion of management, none of the litigation or claims, individually or in aggregate, would result in a liability that would have a significant adverse effect on the financial position of the Fund. The Fund has agreed to indemnify, in certain circumstances, the directors and officers of the Fund and its subsidiaries.

NET LIABILITIES ATTRIBUTABLE TO UNITHOLDERS

The Fund is authorized to issue an unlimited number of Units. The beneficial interest in the net (loss) income and comprehensive (loss) income of the Fund is divided into three classes of Units: class A Units; class B Units; and class C Units. Below is a summary by class of the net liabilities attributable to Unitholders of the Fund for the period from January 1, 2025 to June 30, 2026:

	Class A	Class B	Class C	Total
Net liabilities attributable to Unitholders, January 1, 2025	\$ 49,302	\$ 61,607	\$ 40,911	\$151,820
Redemption of trust units	(227)	(106)	(2)	(335)
Net income and comprehensive income	(289)	(363)	(241)	(893)
Net liabilities attributable to Unitholders, December 31, 2025	48,786	61,138	40,668	150,592
Redemption of trust units	(105)	(45)	(7)	(157)
Net loss and comprehensive loss	(115)	(145)	(97)	(357)
Net liabilities attributable to Unitholders, June 30, 2026	\$ 48,566	\$ 60,948	\$ 40,564	\$150,078

The following table summarizes the changes in Units outstanding for YTD-2026:

(in thousands of trust units)	Class A	Class B	Class C	Total
Outstanding as at January 1, 2026	4,154	5,373	3,388	12,915
Redemption of trust units	(10)	(4)	(1)	(15)
Outstanding as at June 30, 2026	4,144	5,369	3,387	12,900

During YTD-2026, pursuant to the Declaration of Trust, 9,825 class A Units, 4,369 class B Units and 614 class C Units were redeemed at 95% of NAV, amounting to a total of \$157 (see "Subsequent Events").

NON-CONTROLLING INTERESTS

On December 17, 2025, the Fund completed the acquisition of SW1, comprising of six multi-family properties to create a single investment platform comprising of fifteen multi-family properties totaling 1,413 suites, including the Fund's existing portfolio of nine multi-family properties across Primary Markets. As a result of this transaction, SW1 became a subsidiary of the Fund with the Fund receiving Class C LP Units of SW1 and retained approximately 61.4% of the consolidated structure, while the Existing Unitholders of SW1 retained their units and collectively hold the remaining 38.6% non-controlling interests through Class A LP and Class B LP Units.

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SW1 partnership interests as at December 17, 2025	\$	94,020
Partnership interests issued ⁽²⁾		1,645
Net income attributable to non-controlling interests		33
SW1 partnership interests as at December 17, 2025	\$	95,698
Net loss attributable to non-controlling interests ⁽³⁾		(248)
Balance, June 30, 2026	\$	95,450

⁽¹⁾ Given the Fund's 61.4% ownership interest in SW1, the Fund has control over SW1 and has wholly consolidated its financial position and results of operations in the Fund's condensed consolidated interim financial statements for the six months ended June 30, 2026. The non-controlling interests representing approximately 38.6% are presented above and in the Fund's condensed consolidated interim financial statements as non-controlling interest.

⁽²⁾ The amount of \$1,645 represents the settlement of accrued carried interests of the Fund through issuance of additional 142,247 Class A LP Units of SW1 and is presented as expense in the Fund's audited consolidated financial statements for the year ended December 31, 2025.

⁽³⁾ The amount of \$248 included one-time redemption of 2,310 Class B LP Units of SW1 amounting to \$24.

There are no ongoing contractual commitments with Existing Unitholders who own the SW1 non-controlling interests. All decision making in respect of SW1, including day-to-day and material decisions, will be proportionately made by the Fund and SW1 non-controlling interests through established governance practices. For further information on SW1 non-controlling interests, please refer to the Fund's condensed consolidated interim financial statements for the three and six months ended June 30, 2026 available at www.sedarplus.ca.

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RELATED PARTY TRANSACTIONS AND ARRANGEMENTS

ARRANGEMENTS WITH THE MANAGER

The Fund engaged the Manager to perform certain management services, as outlined below. The Manager is a related party to the Fund as the Manager is owned and controlled by Daniel Drimmer, Founder, Chief Executive Officer and a Unitholder of the Fund. The management agreement dated February 22, 2022, as amended and restated on December 16, 2025 (the "Management Agreement") expires on the winding-up or dissolution of the Fund, unless and until the Management Agreement is terminated in accordance with the termination provisions.

- (a) **Asset management fees:** Pursuant to the Management Agreement, the Manager is to perform asset management services for fees equal to 0.35% of the fair market value as prescribed by the most recent annual appraisals of the properties ("Gross Asset Value"), with the initial Gross Asset Value being the purchase price of the Properties paid or deemed paid by the Fund.

For Q2-2026 and YTD-2026, the Fund incurred asset management fees of \$632 and \$1,264 (Q2-2025 and YTD-2025 - \$410 and \$820), which were charged to fund and trust expenses. Asset management fees payable to the Manager as at June 30, 2026 was \$211 (December 31, 2025 - \$209).

- (a) **Acquisition fees:** Pursuant to the Management Agreement, as assigned, the Manager is entitled to receive an acquisition fee in respect of properties acquired, directly or indirectly, by the Fund as a result of such Properties having been presented to the Fund by the Manager, calculated as 1.0% of the purchase price of the property. In addition, the Fund reimburses the Manager for all reasonable and necessary actual out-of-pocket costs and expenses incurred by the Manager in connection with the performance of the services described in the Management Agreement or such other services which the Fund and the Manager agree in writing are to be provided from time to time by the Manager.

For Q2-2026 and YTD-2026, the Fund did not incur any acquisition fees (Q2-2025 and YTD-2025 - \$nil). Acquisition fees are paid at the time of acquisition and are initially capitalized to investment properties on acquisition.

- (b) **Guarantee fees:** Pursuant to the Management Agreement, in the event that the Manager or an affiliate is required by the lenders of the Fund to provide a financing guarantee in connection with the amount borrowed by the Fund or its subsidiaries relating to a property, the Fund will, in consideration for providing such guarantee, pay the Manager, in aggregate, a guarantee fee represented by an annual amount equal to 0.15% of the then-outstanding amount of such guaranteed funds. This fee is calculated and payable in arrears on the first day of each month.

For Q2-2026 and YTD-2026, the Fund incurred guarantee fees of \$135 and \$269 (Q2-2025 and YTD-2025 - \$85 and \$169). The increase in guarantee fees for Q2-2026 and YTD-2026 relative to Q2-2025 and YTD-2025 was due to the Primary Variance Driver. The amount payable to the Manager as at June 30, 2026 was \$44 (December 31, 2025 - \$46).

Other related party transactions

Aggregate compensation to key management personnel was \$nil for Q2-2026 and YTD-2026, as compensation of these individuals is paid by the Manager pursuant to the Management Agreement (Q2-2025 and YTD-2025 - \$nil).

CARRIED INTEREST

Through D.D. Acquisitions Partnership ("DDAP") as holder of special limited partnership units of SW1 ("Special LP Units") (as defined below) class B limited partnership units, Daniel Drimmer is indirectly entitled to a carried interest, being (i) an aggregate amount equal to 20% of the total of all amounts each of which is the amount, if any, by which (A) the aggregate amount of distributions which would have been paid on all Units of a particular class if all distributable cash of the SW1 was received by the Fund (including through Starlight Western Canada Multi-Family GP, Inc.), together with all other amounts distributable by the Fund (including distributable cash generated by investees of the Fund not held through the SW1, if any), and distributed by the Fund (net of any amounts required to provide for expenses) to Unitholders in accordance with the Declaration of Trust, exceeds (B) the aggregate minimum return (being 8.0%) in respect of such class of Units (the calculation of which includes the amount of the investors capital return base), provided that, to the extent that the aggregate amount of distributions which would have been paid on all Units of a particular class pursuant to the foregoing exceeds the minimum return for such class, DDAP will first be entitled to an aggregate amount equal to 50% of each such excess amount (i.e., a catch-up) until the amounts, if any, distributable to Unitholders of each class in excess of the investors capital return base is equal to four times (i.e., 80%/20%) the catch-up payment receivable by DDAP in respect of such class, and if more than one

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series of a class of Units is issued subsequent to the closing date, the foregoing calculations and distributions will be separately determined on the basis of each such series.

On December 17, 2025, the accrued carried interests in both the Fund and any prior amounts due from SW1 were settled through the issuance of additional 973,623 Class A LP Units of SW1 to DDAP. In addition, DDAP was issued Special LP Units, representing the go-forward carried interest in SW1, which was reset to zero at the date of acquisition of SW1 and will begin to accrue carried interest based on future returns of the Fund and SW1.

As at June 30, 2026, the Fund had recognized a provision for carried interest of \$nil (December 31, 2025 - \$nil), resulting in a corresponding recovery of \$nil for Q2-2026 and YTD-2026 (Q2-2025 and YTD-2025 - recovery of \$278 and \$959), respectively.

MATERIAL ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

A summary of the material accounting policies is provided in note 3 to the audited consolidated financial statements of the Fund for the year ended December 31, 2025. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at each financial statement date, and revenues and expenses for the periods indicated. Actual results could differ from those estimates.

CRITICAL JUDGMENTS AND ESTIMATES

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that it believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in these condensed consolidated interim financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The significant estimates and judgments used in determining the recorded amount for assets and liabilities in the condensed consolidated interim financial statements include the following:

- (a) **Accounting for acquisitions:** Management must assess whether the acquisition of a property should be accounted for as an asset purchase or business combination. This assessment impacts the accounting treatment of transaction costs, the allocation of the costs associated with the acquisition and whether or not goodwill is recognized. The Fund's acquisitions are generally determined to be asset purchases as the Fund does not acquire an integrated set of activities that together significantly contribute to the ability to create outputs as part of the acquisition transaction. For asset acquisitions, the total cost is allocated to the identifiable assets and liabilities on the basis of their relative fair values on the acquisition date.
- (b) **Financial instruments:** Critical judgments and estimates are also made in the determination of fair value of financial instruments and include assumptions and estimates regarding future interest rates, the relative creditworthiness of the Fund to its counterparties, the credit risk of the Fund's counterparties relative to the Fund, the estimated future cash flows and discount rates.
- (c) **Investment properties:** The estimates used when determining the fair value of investment properties are capitalization rates and stabilized future cash flows. The capitalization rate applied is reflective of the characteristics, location and market of each investment property. The stabilized future cash flows of each investment property are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Fund typically determines fair value internally utilizing internal financial information, external market data and capitalization rates provided by independent industry experts through third-party appraisals. In addition, the Fund obtains valuations from third-party appraisers at least once annually for each Property.
- (d) **Carried interest:** The determination by the Fund as to whether a provision for carried interest should be recognized to the Special LP Units is based, among other criteria, on the Fund's analysis of the net liabilities attributable to Unitholders and non-controlling interests, distributions paid to Unitholders since the formation of the Fund and the Fund's ability to meet the requirement to return the initial investment amount contributed by the Unitholders (see "Related Party Transactions and Arrangements").

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(e) **Non-controlling interests:** The determination of non-controlling interests requires management to evaluate whether the Fund controls an investee and to assess the nature of ownership interests held by third parties. This evaluation affects whether an entity is consolidated and how the results and net assets of the subsidiary are attributed between the Fund and third-party unitholders. In performing this assessment, management reviews the relevant arrangements to determine decision-making rights, exposure to variable returns and the ability to influence those returns. Where the Fund concludes that control exists and ownership is not wholly owned, non-controlling interests are recognized and measured in accordance with the Fund's accounting policies.

(f) **Leases:** The Fund makes judgments in determining whether certain leases, in particular resident leases are accounted for under IFRS as either operating or finance leases. The Fund has determined that all of its leases are operating leases.

(g) **Consolidation:** The Fund has determined that it controls all of its subsidiaries, including the significant subsidiaries (as defined in the consolidated financial statements for the year ended December 31, 2025). In making this determination, it considered the relationships between the Fund, the Manager, and the significant subsidiaries including ownership interests, voting rights and management agreements. Through this analysis, it was determined that the Manager is an agent of the Fund.

FUTURE ACCOUNTING POLICY CHANGES

The future accounting policy changes are discussed in the Fund's condensed consolidated interim financial statements for the six months ended June 30, 2026 and the notes contained therein.

RISKS AND UNCERTAINTIES

There are certain risks inherent in an investment in the Units of the Fund and activities of the Fund. Risks and uncertainties are disclosed in the Fund's MD&A for the year ended December 31, 2025 and is available at www.sedarplus.ca. Current and prospective investors of the Fund should carefully consider such risk factors. Other than set out or contemplated herein, management is not aware of any significant changes in the risk and uncertainties since March 6, 2026, the date of the Fund's MD&A for the year ended December 31, 2025.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Fund maintains information systems, procedures and controls to ensure all information disclosed externally is as complete, reliable and timely as possible. Such internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS.

All control systems have inherent limitations, including well-designed and operated systems. No control system can provide complete assurance that the objectives of the control system will be met. Furthermore, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, will be detected or prevented. These inherent limitations include, without limitation, the possibility that management's assumptions and judgments may ultimately prove to be incorrect under varying conditions and circumstances and the impact of isolated errors. As a growing enterprise, management anticipates that the Fund will be continually evolving and enhancing its systems of controls and procedures.

Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions.

SUBSEQUENT EVENTS

Subsequent to June 30, 2026, 3,401 Class A Units, 4,609 Class B Units and 785 Class C Units were redeemed in accordance with the Declaration of Trust at 95% of NAV, amounting to a total of \$90.

Additional information relating to the Fund can be found on SEDAR+ at www.sedarplus.ca.

Dated: August 12, 2026

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