STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND ANNOUNCES Q2-2026 OPERATING RESULTS INCLUDING YEAR-OVER-YEAR SAME PROPERTY NOI GROWTH OF 1.8%

Toronto – August 12, 2026 – Starlight Western Canada Multi-Family (No. 2) Fund (the “Fund”) announced today its results of operations and financial condition for the three months ended June 30, 2026 (“Q2-2026”) and six months ended June 30, 2026 (“YTD-2026”). Certain comparative figures are included for the Fund’s financial and operational performance as at December 31, 2025, for the three months ended June 30, 2025 (“Q2-2025”) and for the six months ended June 30, 2025 (“YTD-2025”).

All amounts in this press release include amounts attributable to any non-controlling interests and are in thousands of Canadian dollars except for average monthly rent (“AMR”)[1], or unless otherwise stated.

“We are pleased with the strength of performance during the quarter which achieved same property NOI growth of 1.8%” commented Neil Fischler, Executive Vice President. “Management continues to focus on its active management strategy for the properties to maximize unitholder value.”

Q2-2026 HIGHLIGHTS

- The Fund achieved AMR growth of approximately 3.5% between Q2-2025 and Q2-2026 including the impact of acquisition of Starlight Western Canada Multi-Family Limited Partnership (“SW1”) properties. The growth continues to be driven by sustained demand for multi-family suites and overall immigration levels in Canada and in particular, Vancouver Island and the mainland of the Province of British Columbia (“BC”) (collectively, the “Primary Markets”).
- Revenue from property operations and net operating income (“NOI”)[1] 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”).
- Same property net operating income (“Same Property NOI”)[1] 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%.
- The Fund reported physical occupancy[1] of 95.0% for the fifteen multi-family properties owned (the “Properties”) 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.
- Adjusted funds from operations (“AFFO“)[1] 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%.

[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 and Reconciliations”).

YTD-2026 HIGHLIGHTS

- 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.
- 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.
- 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.

[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 and Reconciliations").

FINANCIAL CONDITION AND OPERATING RESULTS

Highlights of the financial and operating performance of the Fund as at June 30, 2026, for Q2-2026 and YTD-2026, including a comparison to June 30, 2025, Q2-2025 and YTD-2025, as applicable, are provided below:

	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%	89.7%
Physical occupancy(1)	95.0%	94.8%
AMR (in actual dollars)	$ 2,110	$ 2,039
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				
Funds from operations ("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	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)	1.71x	1.51x	1.71x	1.51x
Indebtedness coverage ratio(2)	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 and Reconciliations").

(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.

(5) Includes distributions to the unitholders of the Fund and non-controlling interests ("Unitholders"), fair value adjustment of investment properties, provision for carried interest.

(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.

NON-IFRS FINANCIAL MEASURES AND RECONCILIATIONS

The Fund's condensed consolidated interim financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS"). Certain terms that may be used in this press release such as AFFO, AMR, adjusted net income and comprehensive income, cash provided by operating activities including interest costs, economic occupancy, physical occupancy, FFO, gross book value, indebtedness, indebtedness coverage ratio, indebtedness to gross book value, interest coverage ratio, NOI and Same Property NOI (collectively, the "Non-IFRS Measures") as well as other measures discussed elsewhere in this press release, are not measures defined under IFRS as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures as reported by other issuers. The Fund uses these measures to better assess its underlying performance and provides these additional measures so that investors may do the same. Information on the most directly comparable IFRS measures, composition of the Non-IFRS Measures, a description of how the Fund uses these measures, and an explanation of how these Non-IFRS Measures provide useful information to the investors are set out in the Fund's management's discussion and analysis ("MD&A") in the "Non-IFRS Financial Measures" section for Q2-2026 and are available on the Fund's profile on SEDAR+ at www.sedarplus.ca, which is incorporated by reference into this press release.

A reconciliation of the Fund's interest coverage ratio and indebtedness coverage ratio are provided below:

Interest and indebtedness coverage ratio	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
Interest coverage ratio(3)	1.71x	1.51x	1.71x	1.51x
Indebtedness coverage ratio(4)	1.10x	1.03x	1.09x	1.03x

(1) Non-cash or one-time items consist of amortization of deferred financing costs, fair value adjustment on investment properties, interest income and provision for carried interest.

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

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

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

For Q2-2026, the interest coverage ratio and the indebtedness coverage ratio were 1.71x and 1.10x (Q2-2025 - 1.51x and 1.03x), respectively. 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.

CASH PROVIDED BY OPERATING ACTIVITIES RECONCILIATION TO FFO and AFFO

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.

Basic and diluted AFFO and AFFO per Unit for Q2-2026 were $1,954 and $0.09 (Q2-2025 - $964 and $0.07), respectively, 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 higher NOI being partly 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.

A reconciliation of the Fund's cash provided by operating activities determined in accordance with IFRS to FFO and AFFO for Q2-2026, Q2-2025, YTD-2026 and YTD-2025 is 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 and Reconciliations").

The Fund's cash provided by operating activities, including interest and finance costs for Q2-2026 was $1,706 (Q2-2025 - $1,095), which was higher than distributions declared to Unitholders by $83 (Q2-2025 - lower by $37). 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.

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 BC, including 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.

Further disclosure surrounding the Future Outlook is included in the Fund's MD&A in the "Future Outlook" section for Q2-2026 under the Fund's profile, which is available on www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws and which reflect the Fund's current expectations regarding future events, including the overall financial performance of the Fund and 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 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. 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 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 press release relates only to events or information as of the date on which the statements are made in this press release. Except as specifically required by applicable Canadian securities law, the Fund undertakes no obligation to update or revise publicly any forward-looking information, whether because of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

ABOUT STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND

The Fund is a trust formed under the laws of Ontario for the primary purpose of indirectly acquiring, owning and operating a portfolio of income producing multi-family rental properties located in BC. The Fund has interests in and operates a portfolio comprising interests in 1,413 income producing multi-family suites located in the Primary Markets.

For the Fund's complete condensed consolidated interim financial statements and MD&A for the three and six months ended June 30, 2026 and any other information related to the Fund, please visit www.sedarplus.ca. Further details regarding the Fund's unit performance and distributions, market conditions where the Fund's properties are located, performance by the Fund's properties and a capital investment update are also available in the Fund's August 2026 Newsletter which is available on the Fund's profile at www.starlightinvest.com.

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

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