TRICON CAPITAL GROUP INC.

MANAGEMENT DISCUSSION AND ANALYSIS

AS AT JUNE 30, 2013

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

1. INTRODUCTION

This Management Discussion and Analysis ("MD&A") at June 30, 2013 is provided as of August 14, 2013. It should be read in conjunction with the unaudited condensed consolidated interim financial statements, including the notes thereof, of Tricon Capital Group Inc. ("Tricon" or the "Company") for the period ended June 30, 2013 (additional information relating to the Company is available at (www.sedar.com) and the audited consolidated financial statements for the year ended December 31, 2012. The unaudited condensed consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"), consistent with the year ended 2012 (except as explained below) and are presented in Canadian dollars.

In October 2012, the International Accounting Standards Board (IASB) issued *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)*, which provides an exception to consolidation for a class of entities that are defined as "investment entities". Upon analysis of the amendment in Q1 2013, Management determined that the Company met the definition of an investment entity. As an investment entity, investments in subsidiaries (other than those which provide investment related services) are accounted for at fair value through profit or loss (FVTPL), rather than by consolidating them. The entities no longer consolidated under the investment entity framework are the wholly owned subsidiaries carrying the co-investments in Tricon XI, XII, Cross Creek and the single-family rental limited partnership interests. All subsidiaries which provide investment-related services, including the Company's Canadian and U.S. asset management operating entities which earn management fees and carried interest from our funds, continue to be consolidated.

1.1 Forward-Looking Statements

This MD&A contains forward-looking statements with respect to expected financial performance, strategy and business conditions. The words "believe", "anticipate", "estimate", "plan", "expect", "intend", "may", "project", "will", "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risk and uncertainties. Many factors could cause our actual results, performance or achievements to be materially different from any future forward-looking statements. Factors which may cause such differences include, but are not limited to, general economic and market conditions, investment performance, financial markets, legislative and regulatory changes, technological developments, catastrophic events and other business risks. The reader is cautioned against undue reliance on these forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management currently believes to be reasonable assumptions, we cannot assure that actual results, performance or achievements will be consistent with such statements.

1.2 Overview

Tricon's business purpose is to invest for capital appreciation and investment income, through its three major lines of business: (i) asset management of third party capital, including private comingled funds and separate accounts (our "Fund Management" strategy), (ii) co-investment in comingled funds and separate accounts (our "Co-investment" strategy), and (iii) investment in U.S. single-family rental limited partnerships (our "U.S. Single-Family Rental" strategy). As an asset manager, we manage and originate the investments of private comingled funds and separate investment accounts which participate in the development of real estate in North America by providing financing (generally in the form of participating loans which consist of a base rate of interest and/or a share of net future cash flow) to developers. The investments in these comingled funds and separate accounts are typically related to residential land development, single-family homebuilding, multi-family construction or retail development done in conjunction with residential projects.

As an investor, we co-invest in our private comingled funds and separate accounts as well as in our U.S. single-family rental limited partnerships through which we provide equity capital to a network of "best in class" rental operating partners who acquire, renovate, sell, lease and manage distressed single-family homes. The Company believes that U.S. single-family homes can be purchased at meaningful discounts to peak pricing and replacement cost and even to current retail pricing through foreclosure, short sales and bank REO ("real estate owned") sales and that the Company will generate attractive risk-adjusted yields from its investment in these limited partnerships.

We measure the success of our business by employing several key performance indicators which are not recognized under IFRS. These indicators should not be considered an alternative to IFRS financial measures such as net income. Non-IFRS financial measures do not have standardized definitions prescribed by IFRS and are therefore unlikely to be comparable with other issuers or companies. The performance indicators used by the Company are defined in section 1.3 below.

1.3 Metrics of Our Business (including Non-IFRS Financial Measures)

As an asset manager, our financial success is dependent upon our ability to select successful, high-return investments and attract investors to the private comingled funds and separate accounts. The management of these funds and separate accounts currently produces three main revenue streams: Contractual Fees, General Partner Distributions which are not contingent on the performance of the funds, and Performance Fees.

Contractual Fees are based on the capital committed to the funds and/or separate investment accounts during their respective Investment Periods. Thereafter, they are typically calculated on the lesser of: (i) the funds' capital commitment, and (ii) invested capital. Contractual Fees decline over time once the Investment Period expires and investments are realized.

General Partner Distributions are based on prescribed formulas within a fund's Limited Partnership Agreement and decline over time as investments are realized.

Performance Fees are also based on prescribed formulas within a fund's Limited Partnership Agreement and are earned after repayment to the limited partners of their capital and a predetermined preferred return. In the case of both funds and syndicated investments, Performance Fees are calculated and paid on each distribution subsequent to repayment of investor capital and the predetermined preferred return and are therefore largely earned towards the end of the fund's term. Performance Fees are largely dependent on investment performance and are only recognized when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

As a principal investor and co-investor into our private comingled fund and separate account business, we generate Investment Income that is earned from (i) investing the Company's cash balances into "warehoused" investments that will be offered to new funds upon their formation, (ii) investing directly into new funds or co-investing alongside investments within those funds or into separate investment accounts and (iii) investing directly in projects, loans or limited partnerships other than those described in (i) and (ii). The Company has committed US$25 million to Tricon XI LP a dedicated U.S. fund focused on distressed residential assets and U.S. distressed property loans ("Tricon XI"), $20 million to Canadian fund Tricon XII Limited Partnership ("Tricon XII"), and invested approximately US$14.4 million into the Cross Creek Ranch separate account. The Company earns its pro-rata share of investment income from these investments, including fair value adjustments, although it does not expect Investment Income from these investments to be a significant contributor to Total Revenues until the new funds/partnerships invest meaningfully into their underlying projects.

Additionally, starting in Q2 2012, the Company earns Investment Income from its investment in the U.S. single-family rental limited partnerships. The Company's Investment Income from these limited partnerships arises from the change in fair values thereof, a combination of capital appreciation and realized net rental income. The Company determines the fair value of its investments in these limited partnerships based on the fair value of their underlying net assets, which is derived primarily from the value of the single-family homes by the use of an AVM model. As the AVM model arrives at a value for the single-family homes based on comparable sales and listings of similar homes, the increase in the fair value of the investment can be attributed in part to increased market activity for the acquisition of real estate which is priced at significant discounts from their peak. Demand for such real estate is also strengthening the values as other investors are also entering the market to achieve rental yields. The limited partnerships we are invested in are generating Rental Income from residential properties purchased and held long-term for rent, and revenue from Inventory Homes Sold from select properties purchased by the limited partnerships on an opportunistic basis specifically for the purpose of a quick turnaround. Inventory Homes tend to be higher end properties located in middle class or higher income areas that will be renovated and sold within six months. Investment Income from the U.S. single-family rental partnerships is expected to become a significant component of the principal investment business and the Company's earnings as our investment in the strategy grows and the rental properties are stabilized.

Assets Under Management ("**AUM**") is a key measure for evaluating Contractual Fees and General Partner Distributions. From time to time, new as well as existing investors, primarily institutional and a small proportion of high net worth investors, provide capital commitments to new Tricon-managed funds thereby increasing our AUM. In addition, investments in projects that are too large or investments that might lead to a heavy geographic or developer concentration in a fund are syndicated to existing institutional and/or high net worth investors and/or third parties, and such syndicated commitments also increase AUM. It should be noted that these syndicated commitments are above, or in addition to, commitments already made to the funds. Any investments too large to fit into a fund and/or which do not meet an active fund's investment criteria will be managed outside of funds as a "side-car" investment and/or a separate investment account and will increase AUM. After the expiry of the Investment Period, AUM decreases as fund capital and/or syndicated commitments and/or separate investment accounts are paid down through investment realization. Additionally, any investments in single-family homes will increase AUM and any sale of U.S. rental property will decrease AUM.

For reporting purposes, **AUM** is defined as (i) capital commitments by investors in funds (including syndicated/sidecar investments and separate accounts) managed by Tricon that are paying Contractual Management Fees and/or General Partner Distributions; and (ii) direct investments made by the company using its own debt or equity. The calculation of AUM varies by investment vehicle, namely:

a) Funds: During a fund's investment period, AUM is equal to a fund's capital commitment. After the expiry of a fund's investment period, AUM is calculated as the lesser of (i) a fund's capital commitment; and (ii) a fund's invested capital plus unfunded commitments.
b) Syndicated/side-car investments and separate accounts: AUM is equal to invested plus unfunded capital commitments less realized value.
c) Balance sheet investments:
    (i) Single family Rental: AUM is equal to the fair value of assets (investment properties and inventory homes) and
    (ii) Co-Investment in Funds and Separate Accounts: AUM is calculated as fair value of invested capital plus unfunded commitments.

Other key Company performance measures are "EBITDA", "Adjusted Base EBITDA" and "Adjusted EBITDA", and "Adjusted Net Income" with the second and third being the most relevant when evaluating overall performance.

Adjusted Base Revenues are defined as all income and fees earned other than Performance Fees.

EBITDA refers to Earnings before Interest Expense, Income Taxes, Depreciation and Amortization. EBITDA is a standard measure used in our industry by management, investors and investment analysts in understanding and comparing results. We believe this to be an important measure in assessing our ongoing business performance since it will provide a consistent business performance metric over time.

Adjusted Base EBITDA refers to EBITDA adjusted for Performance Fees, the Performance Fee-Related Bonus Pool and Non-Recurring items of the business. This is intended to provide a consistent business performance metric over time.

Adjusted EBITDA refers to Adjusted Base EBITDA plus Performance Fees earned less the Performance Fee-Related Bonus Pool.

Adjusted Net Income refers to Adjusted EBITDA after Amortization Expenses, Interest Expense and Provision for Income Taxes.

In management's opinion, Adjusted Base EBITDA, Adjusted EBITDA, and Adjusted Net Income figures are the most useful measures of our performance as they include the changes in the fair values of the Company's investments, but exclude both Non-Recurring and Non-Cash Items, including a significant Long Term Incentive Plan ("LTIP") expense and Net Change in Fair Value of Derivative amount. Please see section "3.2 Adjusted Financial Information" below for adjusted results and section "3.3 Comprehensive Income (Loss)" for unadjusted or IFRS results and for reconciliation and explanation of adjustments made to IFRS measures.

The Company accounts for its investments at fair value; however, management believes that certain information related to the net assets and operating results of the U.S. single-family rental limited partnerships is relevant to an understanding of the fair values of the Company's investments and the changes therein. All information related to the underlying limited partnerships represents non-IFRS financial information. The specific metrics we use to evaluate the performance in assessing the fair values of these underlying assets are as follows:

Gross Yield for a property refers to its gross rent divided by its Capital Invested. Capital Invested is the aggregate of a home's purchase price, closing costs associated with its purchase and the cost of upfront improvements or renovation.

Capitalization Rate for a rental property is defined as its Gross Rental Operating Income (as defined in Section 6) divided by its Capital Invested.

Annualized Return on Investment on Inventory Homes Sold refers to the net realized proceeds on disposition, adjusted to take into account the period from acquisition to disposition, divided by the Capital Invested.

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2. HIGHLIGHTS

2.1 Operations

- Total Adjusted Base Revenues for the quarter and year to date June 30, 2013 (“Q2 2013” and “YTD 2013”)) increased by 25% or $1,194,000 and 39% or $3,187,000, respectively, when compared to the corresponding periods in the prior year (“Q2 2012” and “YTD 2012”) primarily as a result of investment income from the Company’s U.S. single-family rental strategy, which was launched in Q2 2012.
- Adjusted EBITDA for Q2 2013 increased by 185% from $2,949,000 to $8,399,000 and YTD 2013 Adjusted EBITDA increased by 402% from $4,658,000 to $23,406,000, when compared to the corresponding periods in the prior year primarily as a result of fair value adjustments to investments in Tricon’s U.S. single-family rental limited partnerships.
- Similarly, Adjusted Net Income for Q2 2013 increased by $2,364,000 or 119% to $4,358,000 from $1,994,000 earned in Q2 2012 as a result of the aforementioned items. Adjusted Net Income for YTD 2013 increased by 310% from $3,103,000 to $12,721,000. As a result, both Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share increased for Q2 2013 to $0.10 from $0.07 in Q2 2012; and similarly YTD 2013 increased to $0.30 and $0.27, respectively, from $0.14 in YTD 2012.
- The Company reported Investment Income in Q2 2012 of $8,505,000 flowing from its investment in the single-family rental strategy, including a $5,010,000 gain in the fair value of the underlying assets.
- Co-investment income from funds and separate accounts increased meaningfully in Q2 2013 and YTD 2013 to $985,000 and $1,798,000, respectively, compared to $234,000 and $280,000 in the corresponding periods in 2012.
- AUM at June 30, 2013 was nearly $1.3 billion - approximately $179.5 million higher than December 31, 2012 and approximately $101.8 million higher than June 30, 2012. This increase resulted from the higher capital deployed to the U.S. single-family rental strategy, the initial close of Tricon XI, the Cross Creek Ranch separate account and foreign exchange rates, offset by run-off from the older funds.

2.2 Subsequent Events

- On August 13, 2013, the Board of Directors declared a dividend of 6 cents per share to shareholders of record on September 30, 2013 payable on October 15, 2013.
- On July 22, 2013, the Company announced a Canadian common stock offering which generated gross proceeds of approximately $210 million (approximately $241.5 million with the over-allotment option exercised in full), and a private placement of US$50 million, to be used to facilitate the acquisition of an approximately 68.4% direct and indirect interest in Tricon IX LP. The balance of the acquisition costs as well a additional capital raised for working capital purposes is being financed by a four-year revolving credit facility of $45 million, provided jointly by J.P Morgan Chase and The Royal Bank of Canada with interest based on a pricing matrix of Libor plus 350 to 400 bps. Both transactions closed on August 13, 2013.

3. FINANCIAL REVIEW

Set out below is a comparative review of financial results for the quarter and year to date ended June 30, 2013 with those for the quarter and year to date ended June 30, 2012, which review should be read in conjunction with the unaudited condensed consolidated interim financial statements.

3.1 Balance Sheet Items

During YTD 2013, the Company's assets increased by approximately $100 million, primarily as a result of the proceeds raised from the $86 million convertible debenture offering completed in February 2013. Proceeds from the offering were invested in the Company's U.S. single-family rental limited partnerships. Liabilities are discussed in greater detail below following the discussion on assets/investments.

It should be noted that, subsequent to the adoption of the Investment Entity amendments, the balance sheet no longer includes amounts related to wholly owned subsidiaries which hold investments or co-investments in Tricon XI, Tricon XII, the Cross Creek loan and the U.S. single-family rental limited partnerships. The investments in these entities are now presented on a fair value basis, whereas previously they were consolidated.

(Rounded to nearest thousands of dollars)	June 30, 2013	December 31, 2012
Total Assets	$ 315,505,000	$ 217,553,000
Total Liabilities	156,581,000	76,258,000
Equity	$ 158,924,000	$ 141,295,000

3.1.1 Total Assets

Assets *(Rounded to nearest thousands of dollars)*	June 30, 2013	December 31, 2012
Current Assets	$ 22,789,000	$ 36,345,000
Investment - SFR	249,499,000	140,693,000
Investments - Fund and Separate Account Co-investment	37,238,000	32,241,000
Fixed, Intangible and Deferred Tax Assets	5,979,000	8,274,000
Total Assets	**$ 315,505,000**	**$ 217,553,000**

Cash Available for Investment

The Company currently has sufficient cash available to fund its remaining commitment in funds Tricon XI and Tricon XII as well as the Cross Creek Ranch co-investment.

Investment – SFR (Single-Family Rental)

By the end of Q2 2013 the Company had invested US$225,958,000 in its U.S single-family rental investment strategy and when combined with fair value adjustments resulted in total net investment (i.e. Investment – SFR) of $249,499,000 (US$234,724,000). As shown on the following page, this amount represents the fair value of the single-family rental assets less the fair value of the single-family rental liabilities and excludes the non-controlling interest. Please see Section 6 "U.S. Single-Family Rental Portfolio" for further detailed information on the Company's single-family home rental portfolio and for a breakdown of the change in the fair value of the Company's investment.

Single-Family Rental Balance Sheet Details
(Rounded to nearest thousands of dollars)

	As of June 30, 2013		As of December 31, 2012	
	USD	CAD	USD	CAD
Housing inventories	$ 20,097,000	$ 21,138,000	$ 14,619,000	$ 14,544,000
Investments properties	273,410,000	287,573,000	138,579,000	137,872,000
Other assets	24,625,000	25,901,000	11,156,000	11,099,000
Total Assets	**318,132,000**	**334,612,000**	**164,354,000**	**163,515,000**
Current liabilities	5,207,000	5,476,000	2,724,000	2,710,000
Deferred Income Tax Liabilities	831,000	873,000	620,000	617,000
Other long-term liabilities	99,000	104,000	-	-
Bank Loans	36,103,000	37,973,000	8,161,000	8,119,000
Total Liabilities	42,240,000	44,426,000	11,505,000	12,101,000
Net Assets - SFR	**$ 275,892,000**	**$ 290,186,000**	**$ 152,849,000**	**$ 151,414,000**
Investments - SFR	**234,724,000**	**249,499,000**	**142,073,000**	**140,693,000**
Non-controlling interest	**38,989,000**	**42,979,000**	**10,776,000**	**10,721,000**

Investments - Funds and Separate Account Co-investment

At Q2 2013, total co-investments amounted to $37,138,000 with $14,676,000 in the Cross Creek Ranch separate account, $22,492,000 in Tricon funds XI and XII and minor amounts relating to general partnership interests in other funds managed by the Company.

The Company has committed US$25,000,000 to US fund Tricon XI and $20,000,000 to Canadian fund Tricon XII. At Q2 2013, the Company had funded US$14,028,000 and $6,543,000 to Tricon XI and Tricon XII, respectively, resulting in unfunded commitments of US$10,972,000 and $13,457,000, respectively. The balance of the commitment should be funded over the next 2-3 years as Tricon XI and Tricon XII make additional investments. At the end of Q2 2013, the fair value of the investment in Tricon XI was $16,010,000 (US$15,222,000) and in Tricon XII was $6,482,000 – a not unexpected result as the Company's funds typically incur (start-up) losses or nominal income in their formative years.

Tricon has committed approximately 10% (or US$14.4 million) of the required capital to the Cross Creek Ranch separate investment account, with the balance being committed by Tricon's institutional partner and by the developer of the project. The Company's commitment consists of an equity component of US$5.4 million and a loan commitment of US$9.0 million. At June 30, 2013, the Company had advanced US$12.5 million in aggregate for this transaction and received cash income distributions of approximately US$1.6 million. At Q2 2013, the Company's investment at fair value consisted of a loan of $7,988,000 (US$7,595,000) and an equity component of $6,688,000 (US$6,358,000), including a combined fair value adjustment of $1,355,000 (US$1,289,000), for a total of $14,676,000. Although still in very early stages, the investment (debt and equity) appears to be meeting expectations and is anticipated to produce a net IRR to the Company of 20% - 25% plus fees.

3.1.2 Total Liabilities

Liabilities		June 30, 2013		December 31, 2012
		(Rounded to nearest thousands of dollars)		
Derivative Financial Instruments	$	33,785,000	$	23,921,000
Debentures Payable		100,395,000		33,756,000
Borrowings		**134,180,000**		**57,677,000**
Other Current Liabilities		8,781,000		6,935,000
Other Long-term Liabilities		11,826,000		9,980,000
Deferred Income Tax Liabilities		1,794,000		1,666,000
Total Liabilities	**$**	**156,581,000**	**$**	**76,258,000**

Borrowings

The Company completed a convertible debenture offering in February 2013 for $86 million at an annual interest rate of 5.6%, payable semi-annually at the end of March and September. Net proceeds from the convertible debenture amounted to approximately $82 million. This offering combined with the July 2012 convertible debenture offering of approximately $52 million results in total convertible debt of approximately $138 million outstanding at June 30, 2013. Due to the conversion and redemption options available within both series of debentures, the fair value of the convertible debentures has been bifurcated between a “debenture payable” amount of approximately $100 million (net of offering costs of $7 million) and an “embedded derivative payable” of $34 million. The embedded derivative is fair valued on a quarterly basis through an adjustment to the income statement. At June 30, 2013, the fair value of the Derivative Financial Instrument and the Debentures Payable was $134 million (compared to the $138 million plus accrued interest of approximately $3 million owing under the facility).

The Company has a 3-year term facility and a demand facility with The Royal Bank of Canada for a combined operating line of $15 million. However, subsequent to quarter end as part of the proceeds raised to purchase the Tricon IX limited partnership interests (please see final prospectus dated August 6, 2012 for further details on the transaction) this facility was increased to US$45 million and will be jointly provided by J.P. Morgan Chase and The Royal Bank of Canada for a 4 year term. The interest rate is determined on a pricing matrix and ranges between Libor plus 3.5% to 4% depending on certain quarterly financial covenants. No funds were drawn under this facility at June 30, 2013.

Current Liabilities

Current liabilities for Q2 2013 increased over 2012 as a result of the accrued interest expense incurred on the approximately $138 million of convertible debentures, offset by corporate tax payments made in respect of the 2012 fiscal year.

Long-term Incentive Plan

The Company is required under IFRS to estimate potential amounts payable pursuant to the Company’s Long-Term Incentive Plan (“LTIP”) based on the estimated fair value of net assets within funds managed by the Company at each reporting period, resulting in a LTIP liability at June 30, 2013 of $11,826,000 in respect of potential future LTIP. It should be noted that LTIP is only paid when and if the corresponding Performance Fees are earned in the future (which are not recognized as revenue until they are crystallized and not subject to significant reversal).

Deferred Income Tax Liabilities

The deferred tax liabilities relate to placement agent fees incurred on funds and unrealized gains on co-investments. Placement agent fees are deductible on payment for tax purposes whereas they are amortized over the fund term for accounting purposes. Unrealized gains are not taxable until realized in the future.

3.2 Adjusted Financial Information

The following pro-forma information reflects how the Company evaluates its on-going performance. Accordingly, management has prepared the Adjusted Financial Information set out below to generate the key business performance metrics of Adjusted Base EBITDA, Adjusted EBITDA, and Adjusted Net Income.

In preparing these, management has eliminated both Non-Recurring and Non-Cash Items (in particular, accrued LTIP expenses, Net Change in Fair Value of Derivative, Unrealized Foreign Exchange (Gain) Loss, Stock Compensation Expense, Financing Charges related to the SFR facility embedded within Investment Income - SFR as well as other Non-Recurring Expenses as shown in section “3.3 Comprehensive Income (Loss)” below).

	As at			Increase (Decrease)	
	June 30, 2013	March 31, 2013	June 30, 2012	Quarter	Year over Year
Assets Under Management	$ 1,294,911,000	$ 1,159,917,000	$ 1,193,152,000	$ 134,994,000	$ 101,759,000

AUM increased for the quarter and year over year primarily as a result of: (i) increased investment in U.S. single-family rental properties of approximately $172.3 million and $281.3 million, respectively, (ii) the initial close of Tricon XI with commitments of US$125 million which took place in Q3 2012, and (iii) foreign exchange fluctuations; which were offset by (iv) the removal of funds VI and VII due to the completion of their respective fee generating terms on September 15, 2012 thereby reducing AUM by $301 million, and (v) a reduction in Tricon VIII’s fee base as a result of distributions made to limited partners. The U.S. dollar was equal to CA$1.0518 at June 30, 2013 compared to CA$1.016 at March 31, 2013, CA$0.9949 at December 31, 2012 and CA$1.018 at the end of June 30, 2012.

Selected Income Statement Information
(Rounded to nearest thousands of dollars)

	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2013	2012	Variance	2013	2012	Variance
Contractual Fees	$ 2,068,000	$ 3,445,000	$ (1,377,000)	$4,215,000	$5,316,000	$ (1,101,000)
General Partner Distributions Tricon XII	737,000	915,000	(178,000)	1,467,000	2,143,000	(676,000)
Investment Income - SFR	2,210,000	(41,000)	2,251,000	3,789,000	(41,000)	3,830,000
Investment Income - Fund and Separate Account Co-investment	793,000	315,000	478,000	1,518,000	375,000	1,143,000
Interest Income	205,000	185,000	20,000	316,000	325,000	(9,000)
Adjusted Base Revenues	**6,013,000**	**4,819,000**	**1,194,000**	**11,305,000**	**8,118,000**	**3,187,000**
Salaries and Benefits	1,176,000	897,000	(279,000)	2,334,000	1,833,000	(501,000)
Professional fees	375,000	200,000	(175,000)	701,000	392,000	(309,000)
Directors' fees	43,000	45,000	2,000	147,000	99,000	(48,000)
General and Administration Expenses	390,000	220,000	(170,000)	734,000	429,000	(305,000)
Adjusted Base Operating Expenses	**1,984,000**	**1,362,000**	**(622,000)**	**3,916,000**	**2,753,000**	**(1,163,000)**
Adjusted Base Operating Income	**4,029,000**	**3,457,000**	**572,000**	**7,389,000**	**5,365,000**	**2,024,000**
Management Fee-Related Bonus Pool (1)	(722,000)	(545,000)	(177,000)	(924,000)	(744,000)	(180,000)
Investment Income - SFR Fair Value Adjustment (2)	5,010,000	-	5,010,000	16,855,000	-	16,855,000
Adjusted Base EBITDA	**8,317,000**	**2,912,000**	**5,405,000**	**23,320,000**	**4,621,000**	**18,699,000**
Performance Fees	163,000	75,000	88,000	171,000	75,000	96,000
Performance Fee-Related Bonus Pool	(81,000)	(38,000)	(43,000)	(85,000)	(38,000)	(47,000)
Adjusted EBITDA	**8,399,000**	**2,949,000**	**5,450,000**	**23,406,000**	**4,658,000**	**18,748,000**
Interest Expense	(2,542,000)	-	(2,542,000)	(4,181,000)	-	(4,181,000)
Amortization	(186,000)	(275,000)	89,000	(342,000)	(565,000)	223,000
Income Tax (Expense) Recovery	(1,313,000)	(680,000)	(633,000)	(6,162,000)	(990,000)	(5,172,000)
Adjusted Net Income	**$ 4,358,000**	**$ 1,994,000**	**$ 2,364,000**	**$ 12,721,000**	**$ 3,103,000**	**$ 9,618,000**
Weighted Average Shares Outstanding - Basic	**41,764,212**	**26,855,471**		**41,759,112**	**22,542,971**	
Weighted Average Shares Outstanding - Diluted	**60,114,888**	**26,855,471**		**57,441,947**	**22,542,971**	
Adjusted Basic Earnings Per Share	**$ 0.10**	**$ 0.07**		**$ 0.30**	**$ 0.14**	
Adjusted Diluted Earnings Per Share	**$ 0.10**	**$ 0.07**		**$ 0.27**	**$ 0.14**	

(1) At the end of Q3 2012, management removed unrealized foreign exchange gain/loss from the Management Fee-Related Bonus Pool calculation. In Q2 2013, a correction was included for Q1 2013 relating to interest expense which was incorrectly deducted. As such, Management Fee-Related Bonus Pool for the quarter includes a "catch-up" amount to account for the change such that the Management Fee-Related Bonus Pool for YTD 2013 is 12.5% of Adjusted Base Operating Income. In addition, any interest expense and fair value adjustment related to the SFR investment is excluded from the ManagementFee-Related Bonus Pool.

(2) The increase in fair value of the rental partnership investment has been split into two components, realized and unrealized. Unrealized SFR relates to the fair value adjustment of the single-family rental portfolio and is shown net of estimated potential rental operator performance fees.

As a result of one- time Acquisition Fees received in Q2 2012 from the Cross Creek separate account investment, Contractual Fees for Q2 2013 and YTD 2013 decreased by $1,377,000 and $1,101,000, respectively, when compared to the corresponding period in the prior year. General Partner Distributions from Tricon XII were $676,000 lower for YTD 2013 compared to the previous period largely as a result of a one-time "catch-up" amount on final close of the fund in Q1 2012.

Investment Income – Fund and Separate Account Co-investment increased for Q2 2013 and YTD 2013 by $478,000 and $1,143,000, respectively, in comparison to the prior year as a result of increased co-investments in Cross Creek Ranch, U.S. distressed fund Tricon XI and Canadian fund Tricon XII. Note that the above amounts have been adjusted to remove Unrealized Foreign Exchange and Tax Expense amounts; the increase to Investment Income when including these items for Q2 2013 and YTD 2013 was $751,000 and $1,518,000, respectively when compared to corresponding periods in the prior year.

The Company's U.S. single-family rental strategy commenced in May 2012 and income in the prior year was nominal. Note that the Investment Income – SFR for Q2 2013 and YTD 2013 was $8,504,000 and $21,553,000 and includes both realized and unrealized fair value increases, net of related unrealized foreign exchange (gain) loss, interest and financing expenses, and income taxes. The Investment Income – SFR in Q2 2013 and YTD 2013 from realized fair value was $2,194,000 and $3,789,000, respectively, and unrealized fair value from capital appreciation was $5,010,000 and $16,855,000, respectively (both net of rental operator performance fees). The realized component resulted from a combination of net rental income earned on the portfolio and returns from inventory homes sold. The unrealized fair value was from capital appreciation of the underlying assets, net of performance fees owing on the appreciation to the managers of the partnership. The Gross Yield on rental homes for YTD 2013 continues to be approximately 14% with annualized return on investment for inventory homes sold at 22%, compared to 25% in Q1 2013.

The Company determines the fair value of its investments in the U.S. single-family rental limited partnerships based on the fair values of the net assets of each partnership. As a result, the fair values of investment properties and inventory homes for sale held by the limited partnerships are significant to the determination of the fair value of the Company's investments therein. The Investment Properties are fair valued at each measurement date, mainly using an Automated Valuation Model ("AVM"). AVM's are utilized widely in the industry to value large quantities of single family homes by comparing homes against recent sales and available homes for sale within close proximity to the subject property. An alternative valuation method of Broker Priced Opinion ("BPO") was utilized when AVM values were unavailable. The resulting Fair Value Adjustment on Investment Properties and Inventory Homes held by the limited partnerships was an increase of $16,855,000 for YTD 2013, primarily resulting from the fair value increase in the value of the underlying properties. Please see Section 6 "Single-Family Portfolio" for further detailed information on the single-family home rental portfolios held by the limited partnerships for an understanding of the change in the fair value of the Company's investments in these partnerships.

Interest Income consists of interest earned on cash, short-term and other investments. The increase for Q2 2013 of $20,000, compared to the same period in the prior year, primarily relates to cash on hand and pending investment from the February 2013 convertible debenture. Interest Income for YTD 2013 decreased by a nominal amount.

Salaries and Benefits for Q2 2013 and YTD 2013 increased by $279,000 and $501,000, respectively, over corresponding periods in the prior year as a result of the hiring over the past 12 months of two senior investment professionals, an investment analyst and two administrative staff members as well as normal increases in base salaries.

Management Fee-Related Bonus Pool ("STIP") was calculated as 12.5% of Adjusted Base Operating Income, as approved by the Company's Board of Directors.

Professional Fees increased in Q2 2013 and YTD 2013 by $175,000 and $309,000, respectively, when compared to the corresponding period in the prior year. Legal fees were incurred for the U.S. single-family rental limited partnerships structuring and for new corporate strategic initiatives; audit and tax consulting fees increased to cover the change in scope associated with the single-family rental strategy.

Directors' Fees had a nominal change in the quarter and increased YTD 2013 by $48,000 as a result of added meetings held and an increase in the value of Deferred Share Units ("DSU") held by directors. The directors have the right to participate in the Company's DSU Plan and receive all or a portion of their compensation in the form of DSU's. Two of the directors participate in the plan and the units held are fair valued at the end of each quarter.

General and Administration Expense increased in Q2 2013 and YTD 2013 by $170,000 and $305,000 when compared to the corresponding periods in the prior year. The increase was a result of increased public company costs, travel and relocation expenses related to our new office in San Francisco.

Interest Expense for Q2 2013 and YTD 2013 was $3,238,000 and $5,368,000, respectively, relating to interest incurred in respect of the July 2012 and February 2013 convertible debentures; after adjustments for amortization of bond discount, the actual convertible debenture interest payable was $2,260,000 and $3,722,000, respectively. Interest expense payable at the rental operator partnership level for Q2 2013 and YTD 2013 was $282,000 and $459,000, respectively. These amounts have been removed from Investment Income – SFR as reported above and have been added to corporate Interest Expense for Q2 2013 and YTD 2013, resulting in total interest expense of $2,542,000 and $4,181,000, respectively.

For the reasons noted above, Adjusted EBITDA increased significantly in Q2 2013 and YTD 2013 to $8,399,000 and $23,406,000, respectively, an increase of $5,450,000 or 185% and $18,748,000 or 402%, respectively, when compared to the corresponding periods in 2012. As mentioned in previous reports, minimal Performance Fees are expected in 2013 as a result of the anticipated lag time before the realization of investments in the current active funds.

Income tax expense for YTD 2013 of $3,065,000 consists of $2,243,000 of deferred tax expense and $822,000 of current tax expense. Tax expense from non-consolidated subsidiaries amounted to $3,097,000 and consists of $2,778,000 deferred tax expense and a current tax expense of $319,000. Therefore, total Income tax expense for both the corporation and the unconsolidated subsidiaries is $6,162,000. Deferred tax expense is in respect of fair value adjustments relating to capital appreciation, equity issuance costs, debenture issuance costs and prior year adjustments, offset by net operating losses.

Finally, Adjusted Net Income in Q2 2013 and YTD 2013 was higher by $2,364,000 or 119% and $9,618,000 or 310% than the corresponding periods in 2012 as a result of the factors mentioned above as well as the tax effect of certain adjustments, as described in section "3.3 Net Income (Loss)".

3.3 Net Income (Loss)

Net income from consolidated condensed interim financial statement summary:

(Rounded to nearest thousands of dollars)

	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2013	2012	Variance	2013	2012	Variance
Total Revenues (Table 1)	$ 12,663,000	$ 4,898,000	$ 7,765,000	$ 29,520,000	$ 8,183,000	$ 21,337,000
Total Expenses (Table 2)	2,345,000	(1,967,000)	4,312,000	(4,394,000)	(4,917,000)	523,000
Income Tax Expense	(2,626,000)	(771,000)	(1,855,000)	(3,065,000)	(863,000)	(2,202,000)
Net Income for the Period	**$ 12,382,000**	**$ 2,160,000**	**$ 10,222,000**	**$ 22,061,000**	**$ 2,403,000**	**$ 19,658,000**
Basic Income (Loss) per Share	**$ 0.30**	**$ 0.08**		**$ 0.53**	**$ 0.11**	
Diluted Income (Loss) per Share	**$ 0.22**	**$ 0.08**		**$ 0.37**	**$ 0.11**	

The following is a reconciliation of Comprehensive Income to Adjusted Net Income showing both Non-Recurring and Non-Cash adjustments.

Table 1: Total Revenues
(Rounded to nearest thousands of dollars)

	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2013	2012	Variance	2013	2012	Variance
Adjusted Base Revenues	$ 6,013,000	$ 4,819,000	$ 1,194,000	$ 11,305,000	$ 8,118,000	$ 3,187,000
Investment Income - Funds and Separate Accounts before Taxes	(793,000)	(315,000)	(478,000)	(1,518,000)	(375,000)	(1,143,000)
Investment Income - Funds and Separate Accounts	985,000	234,000	751,000	1,798,000	280,000	1,518,000
Investment Income - SFR Realized Fair Value Adjustment	(2,210,000)	41,000	(2,251,000)	(3,789,000)	41,000	(3,830,000)
Investment Income - SFR	8,505,000	44,000	8,461,000	21,553,000	44,000	21,509,000
Performance Fees	163,000	75,000	88,000	171,000	75,000	96,000
Total Revenues for the Period	**$ 12,663,000**	**$ 4,898,000**	**$ 7,765,000**	**$ 29,520,000**	**$ 8,183,000**	**$ 21,337,000**

Table 2: Total Expenses
(Rounded to nearest thousands of dollars)

	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2013	2012	Variance	2013	2012	Variance
Adjusted Base Operating Expenses	$ 1,984,000	$ 1,362,000	$ 622,000	$ 3,916,000	$ 2,753,000	$ 1,163,000
Short-term Incentive Plan	722,000	545,000	177,000	924,000	744,000	180,000
Long-Term Incentive Plan Expense	587,000	330,000	257,000	1,928,000	763,000	1,165,000
Stock Compensation	428,000	252,000	176,000	596,000	545,000	51,000
Overhead Expenses	-	-	-	-	-	-
Formation Costs - New Funds	-	49,000	(49,000)	-	73,000	(73,000)
Interest Expense - includes bond amortization	3,238,000	-	3,238,000	5,368,000	-	5,368,000
Net change in fair value of financial instruments	(8,579,000)	-	(8,579,000)	(7,399,000)	-	(7,399,000)
Amortization	186,000	274,000	(88,000)	342,000	564,000	(222,000)
Realized and Unrealized Foreign Exchange (Gain) Loss	(911,000)	(845,000)	(66,000)	(1,281,000)	(525,000)	(756,000)
Total Expenses for the Period	**$ (2,345,000)**	**$ 1,967,000**	**$ (4,312,000)**	**$ 4,394,000**	**$ 4,917,000**	**$ (523,000)**

Reconciliation of Net Income to Adjusted Net Income
(Rounded to nearest thousands of dollars)

	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2013	2012	Variance	2013	2012	Variance
Net Income for the Period	$ 12,382,000	$ 2,160,000	$ 10,222,000	$ 22,061,000	$ 2,403,000	$ 19,658,000
Adjustments:						
Long-Term Incentive Plan	587,000	330,000	257,000	1,928,000	763,000	1,165,000
Long-Term Incentive Plan Actual	(81,000)	(38,000)	(43,000)	(85,000)	(38,000)	(47,000)
Stock Compensation Expense	428,000	252,000	176,000	596,000	545,000	51,000
Formation Costs - New Funds	-	49,000	(49,000)	-	73,000	(73,000)
Financing Charges - SFR Facility	3,583,000	-	3,583,000	3,772,000	-	3,772,000
Unrealized SFR Selling Expenses	2,738,000	-	2,738,000	2,738,000		2,738,000
Interest Expense (including bond discount amortization)	3,238,000	-	3,238,000	5,368,000	-	5,368,000
Interest Expense Payable - Debentures	(2,260,000)	-	(2,260,000)	(3,722,000)	-	(3,722,000)
Net Change in Fair Value of Derivative	(8,579,000)	-	(8,579,000)	(7,399,000)	-	(7,399,000)
Unrealized Foreign Exchange (Gain) Loss	(911,000)	(845,000)	(66,000)	(1,281,000)	(525,000)	(756,000)
Unrealized Foreign Exchange (Gain) Loss on Co-Investments	(179,000)	(11,000)	(168,000)	(331,000)	(11,000)	(320,000)
Unrealized Foreign Exchange (Gain) Loss on Investment - SFR	(6,433,000)	(52,000)	(6,381,000)	(10,414,000)	(52,000)	(10,362,000)
Total Non-Recurring and Non-Cash Adjustments	(7,869,000)	(315,000)	(7,554,000)	(8,830,000)	755,000	(9,585,000)
Tax Effect of Above Adjustments (Expense)	(155,000)	149,000	(304,000)	(510,000)	(55,000)	(455,000)
Non-Recurring and Non-Cash Adjustments after Taxes	(8,024,000)	(166,000)	(7,858,000)	(9,340,000)	700,000	(10,040,000)
Adjusted Net Income	**$ 4,358,000**	**$ 1,994,000**	**$ 2,364,000**	**$ 12,721,000**	**$ 3,103,000**	**$ 9,618,000**

The Company is required under IFRS to estimate potential amounts payable pursuant to the Company's LTIP based on the estimated fair value of assets within funds managed by the Company at each reporting, resulting in a LTIP expense for Q2 2013 of $587,000 in respect of potential future LTIP. It should be noted that LTIP is only paid when and if the corresponding Performance Fees are earned in the future. Accordingly, potential LTIP payments have been removed in calculating Adjusted Net Income above. LTIP payments made in respect of Performance Fees actually earned during the corresponding reporting periods are included in the determination of Adjusted Net Income. Actual LTIP payments made for Q2 2013 and YTD 2013 were $81,000 and $85,000, respectively. Adjusting Net Income (Loss) for these items and other Non-Recurring and Non-Cash items generates the Adjusted Net Income amounts shown above.

Stock Compensation Expenses incurred relates to stock options issued to employees in Q2 2013, 2011 and 2010 and 161,500 phantom units issued to employees and directors during Q1 2013. Stock Compensation Expenses incurred for Q2 2013 and YTD 2013 has been removed from the Company's performance metrics due to its non-cash nature.

Formation Costs relating to Tricon XI which were expensed in Q2 2012 and YTD 2012 were recovered on the initial close of Tricon XI in Q3 2012. Since Formation Costs and the related recoveries are a flow through to the Company's funds and are generally recovered from the limited partners of the new funds in fund formation, they have been removed when calculating Adjusted Net Income.

Interest Expense relating to the July 2012 and February 2013 convertible debentures consists of actual interest payable to debenture holders, the amortization of the convertible debenture costs and the amortization of the bond discount. Interest Expense has been adjusted to eliminate the amortization of the bond discount due to its non-cash nature and therefore removed when calculating Adjusted Net Income. Additionally, embedded within Investment Income – SFR is a non-recurring financing charge for Q2 2013 and YTD 2013 $3,583,000 and $3,772,000, respectively, which is required under IFRS to be expensed in fair valuing the rental partnership loan facility. These amounts were removed in calculating Adjusted Net Income.

The Company is also required to fair value the derivative component of the Company's convertible debentures quarterly, resulting in a large non-cash gain to the income statement. The Net Change in Fair Value of Derivative for Q2 2013 and YTD 2013 was $8,579,000 and $7,399,000 and relates to the July 2012 and February 2013 convertible debentures and results from the fair valuation of the embedded derivative as mentioned above. The Net Change in Fair of Value Derivative is a non-cash item and has therefore been removed when calculating Adjusted Net Income.

The Unrealized Foreign Exchange Gain for Q2 2013 and YTD 2013 was $911,000 and $1,281,000, respectively, compared to the Gain of $845,000 and $525,000 in the corresponding periods in 2012. In addition, an Unrealized Foreign Exchange Gain of $6,433,000 and $10,414,000 was included in the fair value of Investment Income – SFR for Q2 2013 and YTD 2013, while an Unrealized Foreign Exchange Gain of $179,000 and $331,000 relating to the fair value of the Company's Co-Investments was included in the Investment Income – Funds and Separate Accounts. It should be noted that foreign exchange movements do not expose the Company to near term economic gains or losses since the Company does not convert U.S. dollars into Canadian dollars, which would crystallize the gains or losses. Instead, it retains the U.S. dollars earned for investment in future U.S. funds and direct investments. Therefore, due to the nature of this item, its impact has been removed when calculating the Adjusted Base EBITDA, Adjusted EBITDA and Adjusted Net Income amounts set out above. Notwithstanding the foregoing, since the Company has raised convertible debentures repayable in Canadian dollars and has invested the proceeds into U.S. assets, hedging alternatives are currently being investigated.

Please see "3.2 Adjusted Financial Information" above for more detailed explanations.

3.4 Summary of Quarterly Results

In aggregate, Contractual Fees and General Partner Distributions were stable through 2011, increased in Q1 2012 due to the final close of Tricon XII, increased again by US$1.3 million in Q2 2012 to $4,360,000 due to one-time acquisition fees on the Cross Creek Ranch investment and normalized in the latter half of 2012 at approximately $3,000,000 per quarter with the initial close of our U.S. distressed fund Tricon XI in Q2 2012. During 2013, Contractual Fees have been gradually declining as a result of distributions made to limited partners in Tricon VIII, which in turn decreased the invested capital base. This decrease will continue as Tricon VIII investments are expected to be realized over this year and next year. This should ultimately result in Performance Fees, which will commence once capital and preferred return are fully repaid to limited partners. The trend in Contractual Fees and General Partner Distributions correlates with the Company's AUM.

Performance Fees are less predictable on a quarterly basis but as previously mentioned are expected to be negligible for 2013.

Investment Income from our co-investment in Tricon XI, Tricon XII and Cross Creek Ranch is expected to continue increasing as committed capital is fully deployed and additional investments are made in the funds. The Q4 2012 investment income included a fair value adjustment of $1,957,000 on the Cross Creek Ranch investment.

Total expense trends have been adjusted for various Non-Recurring and Non-Cash items including Net Change in Fair Value of Derivative, LTIP, Stock Compensation Expense, Formation Costs, Interest Expense which includes a bond discount amortization and Unrealized Foreign Exchange (Gain) Loss. Once the financial results are adjusted for these items, quarterly performance trends are more indicative of operating performance. In Q1 2013, Adjusted Base EBITDA and Adjusted EBITDA continued to increase over prior quarters as the Company's growth plans start to produce results, with the single-family home rental portfolio showing significant increases in both fair market value and occupancy rates. In Q2 2013, the SFR strategy and the Co-investment strategy continued to generate fair value increases to the Company's investment. These quarterly metrics are presented on the next page.

Note that the quarters shown for 2011 were prepared on a consolidated basis and were not restated to reflect investment entity accounting. The 2013 and 2012 quarters have been restated to reflect the investment entity basis adopted under IFRS 10 amendments on January 1, 2013.

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	For the Three Months Ended							
	30-Jun-2013	31-Mar-2013	31-Dec-2012	30-Sep-2012	30-Jun-2012	31-Mar-2012	31-Dec-2011	30-Sep-2011
Key Non-IFRS Performance Measures								
Assets Under Management	**$1,297,956,000**	**$1,159,917,000**	**$1,115,433,000**	**$1,053,312,000**	**$1,193,152,000**	**$992,371,000**	**$964,108,000**	**$961,548,000**
Adjusted Base EBITDA	$8,317,000	$15,003,000	$3,357,000	$3,375,000	$2,912,000	$1,709,000	$1,202,000	$1,089,000
Adjusted EBITDA	$8,399,000	$15,007,000	$3,363,000	$3,379,000	$2,949,000	$1,709,000	$1,202,000	$1,091,000
Adjusted Net Income	$4,358,000	$8,363,000	$846,000	$1,692,000	$1,994,000	$1,109,000	$608,000	$592,000
Adjusted Basic Earnings per Share	**$ 0.10**	**$0.20**	**$0.02**	**$0.05**	**$0.07**	**$0.06**	**$0.03**	**$0.03**
Adjusted Diluted Earnings per Share	**$ 0.08**	**$0.20**	**$0.02**	**$0.05**	**$0.07**	**$0.06**	**$0.03**	**$0.03**

The following quarterly information was taken from the Company's unaudited quarterly financial statements:

Income Statement Information	30-Jun-2013	31-Mar-2013	31-Dec-2012	30-Sep-2012	30-Jun-2012	31-Mar-2012	31-Dec-2011	30-Sep-2011
Contractual Management Fees	$ 2,068,000	$ 2,147,000	$ 2,197,000	$ 2,472,000	$ 3,445,000	$ 1,871,000	$ 2,315,000	$ 2,257,000
General Partner Distribution	737,000	730,000	743,000	744,000	915,000	1,228,000	527,000	541,000
Performance Fees	163,000	8,000	12,000	8,000	75,000	-	-	5,000
Investment Income	-	-	-	-	-	-	(82,000)	(143,000)
Interest Income	205,000	111,000	89,000	194,000	185,000	140,000	181,000	119,000
Total Revenue	**3,173,000**	**2,996,000**	**3,041,000**	**3,418,000**	**4,620,000**	**3,239,000**	**2,941,000**	**2,779,000**
Investment income - SFR	8,505,000	13,048,000	1,258,000	(1,841,000)	44,000	-		
Investment income - Fund and Separate Account Co-investment	985,000	813,000	2,806,000	1,411,000	234,000	46,000		
Total Investment Income	**9,490,000**	**13,861,000**	**4,064,000**	**(430,000)**	**278,000**	**46,000**	**-**	**-**
Total Revenue and Investment Income	**12,663,000**	**16,857,000**	**7,105,000**	**2,988,000**	**4,898,000**	**3,285,000**	**2,941,000**	**2,779,000**
Salaries and Benefits	1,176,000	1,158,000	1,027,000	935,000	897,000	936,000	928,000	854,000
Short-Term Incentive Plan	722,000	202,000	734,000	(35,000)	545,000	199,000	119,000	356,000
Long Term Incentive Plan	587,000	1,341,000	93,000	877,000	330,000	433,000	(257,000)	543,000
Stock Compensation Expense	428,000	168,000	210,000	231,000	252,000	293,000	184,000	100,000
Professional Fees	375,000	326,000	533,000	309,000	200,000	192,000	253,000	138,000
Directors Fees	43,000	104,000	51,000	97,000	45,000	54,000	42,000	32,000
Formation Cost	-	-	-	(265,000)	49,000	24,000	25,000	62,000
General and Administration Expense	390,000	344,000	268,000	242,000	220,000	209,000	397,000	221,000
Interest Expense	3,238,000	2,130,000	1,440,000	961,000	-	-	-	-
Net Change in Fair Value of Financial Instruments Through (Profit) Loss	(8,579,000)	1,180,000	5,328,000	2,343,000	-	-	-	-
Amortization	186,000	156,000	306,000	290,000	274,000	290,000	350,000	351,000
Realized and Unrealized Foreign Exchange (Gain) Loss	(911,000)	(370,000)	(878,000)	1,114,000	(845,000)	320,000	467,000	(1,216,000)
Total Expenses	**(2,345,000)**	**6,739,000**	**9,112,000**	**7,099,000**	**1,967,000**	**2,950,000**	**2,508,000**	**1,441,000**
Income (Loss) Before Non-Controlling Interest and Income Taxes	15,008,000	10,118,000	(2,007,000)	(4,111,000)	2,931,000	335,000	433,000	1,338,000
Non-Controlling Interest	-	-	-	-	-	-	-	-
Income (Loss) Before Income Taxes	15,008,000	10,118,000	(2,007,000)	(4,111,000)	2,931,000	335,000	433,000	1,338,000
Income Tax (Expense) Recovery	(2,626,000)	(439,000)	(508,000)	25,000	(771,000)	(92,000)	(178,000)	(345,000)
Net income (loss)	**12,382,000**	**9,679,000**	**(2,515,000)**	**(4,086,000)**	**2,160,000**	**243,000**	**255,000**	**993,000**
Total comprehensive income (loss) for the period	**$ 12,382,000**	**$ 9,679,000**	**$ (2,515,000)**	**$ (4,086,000)**	**$ 2,160,000**	**$ 243,000**	**$ 255,000**	**$ 993,000**
Basic Earnings per Share	**$ 0.30**	**$ 0.23**	**$ (0.07)**	**$ (0.13)**	**$ 0.08**	**$ 0.01**	**$ 0.01**	**$ 0.05**
Diluted Earnings per Share	**$ 0.14**	**$ 0.23**	**$ (0.07)**	**$ (0.13)**	**$ 0.08**	**$ 0.01**	**$ 0.01**	**$ 0.05**
Weighted Average Shares Outstanding	41,764,212	41,754,012	34,696,264	31,167,971	26,855,471	18,230,471	18,237,404	18,240,871
Weighted Average Shares Outstanding - Diluted	60,114,888	42,422,929	34,696,264	31,167,971	26,855,471	18,230,471	18,237,404	18,240,871

3.5 Segmented Information

Segmented information is provided below for a greater understanding of Adjusted EBITDA generated from the different business segments before and after overhead allocation. The main business segments of the Company are Fund Management, which consists of private comingled funds and separate accounts, and Principal Investing, which in turn is comprised of co-investment into private funds and separate accounts and our investment in U.S. single-family rental limited partnerships. Overhead expenses that relate to specific business lines were allocated to the business line in question and non-specific expenses were allocated to each business segment based on the segment's year to date revenue over total year to date revenue. The Company changed the allocation methodology this quarter from AUM, which is more reflective of fee revenue earned and is a proxy for its Fund Management business, actual Base Revenues earned which takes into account all business lines and includes investment income and fair value changes. The Company believes this general overhead allocation method is practical and better reflects each segment's overhead costs.

As can be seen below, the Company's principal investing business segment has grown substantially in the last twelve months and is expected to grow throughout 2013.

	For the Three Months Ended June 30, 2013			
		Principal Investing		
	Fund Management	Single-Family Rental Homes	Co-Investment	Total
Adjusted Base Revenues	$ 2,805,000	$ 2,415,000	$ 793,000	$ 6,013,000
Investment Income - SFR Fair Value Adjustment	-	5,010,000	-	5,010,000
Total Revenue	2,805,000	7,425,000	793,000	11,023,000
Overhead Allocation	688,000	1,823,000	195,000	2,706,000
Adjusted Base EBITDA	**2,117,000**	**5,602,000**	**598,000**	**8,317,000**
Performance Fees	163,000	-	-	163,000
Performance Fee-Related Bonus Pool	(81,000)	-	-	(81,000)
Adjusted EBITDA	**$ 2,199,000**	**$ 5,602,000**	**$ 598,000**	**$ 8,399,000**
Segment Adjusted EBITDA / Total Adjusted EBITDA	26%	67%	7%	100%

	For the Three Months Ended June 30, 2012			
		Principal Investing		
	Fund Management	Single-Family Rental Homes	Co-Investment	Total
Adjusted Base Revenues	$ 4,545,000	$ (41,000)	$ 315,000	$ 4,819,000
Overhead Allocation	1,799,000	(17,000)	125,000	1,907,000
Adjusted Base EBITDA	**2,746,000**	**(24,000)**	**190,000**	**2,912,000**
Performance Fees	75,000	-	-	75,000
Performance Fee-Related Bonus Pool	(38,000)	-	-	(38,000)
Adjusted EBITDA	**$ 2,783,000**	**$ (24,000)**	**$ 190,000**	**$ 2,949,000**
Segment Adjusted EBITDA / Total Adjusted EBITDA	94%	-1%	6%	100%

	For the Six Months Ended June 30, 2013			
		Principal Investing		
	Fund Management	Single-Family Rental Homes	Co-Investments	Total
Adjusted Base Revenues	$ 5,682,000	$ 4,105,000	$ 1,518,000	$ 11,305,000
Investment Income - SFR Fair Value Adjustment	-	16,855,000	-	16,855,000
Total Revenue	5,682,000	20,960,000	1,518,000	28,160,000
Overhead Allocation	976,000	3,602,000	262,000	4,840,000
Adjusted Base EBITDA	**4,706,000**	**17,358,000**	**1,256,000**	**23,320,000**
Performance Fees	171,000	-	-	171,000
Performance Fee-Related Bonus Pool	(85,000)	-	-	(85,000)
Adjusted EBITDA	**$ 4,792,000**	**$ 17,358,000**	**$ 1,256,000**	**$ 23,406,000**
Segment Adjusted EBITDA / Total Adjusted EBITDA	20%	74%	5%	100%

	For the Six Months Ended June 30, 2012			
		Principal Investing		
	Fund Management	Single-Family Rental Homes	Co-Investment	Total
Adjusted Base Revenues	$ 7,784,000	$ (41,000)	$ 375,000	$ 8,118,000
Overhead Allocation	3,353,000	(18,000)	162,000	3,497,000
Adjusted Base EBITDA	**4,431,000**	**(23,000)**	**213,000**	**4,621,000**
Performance Fees	75,000	-	-	75,000
Performance Fee-Related Bonus Pool	(38,000)	-	-	(38,000)
Adjusted EBITDA	**$ 4,468,000**	**$ (23,000)**	**$ 213,000**	**$ 4,658,000**
Segment Adjusted EBITDA / Total Adjusted EBITDA	96%	0%	5%	100%

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4. BUSINESS OUTLOOK

On August 13, 2013, the Company acquired up to a 68.4% limited partnership interest in Tricon IX Limited Partnership, a dedicated U.S. residential development fund managed by the Company with total committed capital of approximately US$332 million ("Co-investment in Tricon IX"). Tricon IX's investment strategy, in conjunction with its local development partners, has been to fund the acquisition and development of financially distressed U.S. residential real estate, primarily entitled land, finished and partially-finished lots, largely through the purchase of deeply discounted bank notes, REO, bankruptcy sales and sales from other motivated buyers at significant discounts to peak pricing. Tricon IX investments have typically been financed on an "all-cash" basis with little to no debt financing on the property or development. Upon completion of the Transaction, Tricon will hold a majority interest in eight cash flowing residential development portfolios at various stages of completion located in San Francisco and the Greater East Bay area, Sacramento, Southern California, Phoenix, Atlanta, and Miami. Management considers the Co-investment in Tricon IX to be a "transformative" transaction as it will nearly double the size of the Company and provide shareholders with meaningful exposure to U.S. land and homebuilding projects at the beginning of what could be a long term up-cycle in U.S. housing.

The Company believes the Co-investment in Tricon IX is compelling for a number of strategic and economic reasons. First, Tricon's "pure-play" investment strategy to obtain exposure to the U.S. housing recovery is materially enhanced by adding land and homebuilding related assets to its existing single family rental strategy. As far as the Company is aware, Tricon will become the only publicly traded company in Canada and possibly the world to provide shareholders with meaningful exposure to both U.S. land and homebuilding operations and single family rental, with invested capital allocated approximately 60% and 40%, respectively, between the two complimentary strategies. Second, the transaction is expected to be accretive on an earnings per share basis between 15-30% from 2013 through 2015 and generate approximately 15-20% compounded annual returns through the use of modest leverage (25% LTC) and build-out of two key assets in San Francisco and the surrounding area. Finally, the transaction will essentially double the size of the Company's principal investment strategy without incurring any operational changes by purchasing assets the Company is intimately familiar with. Over time, it is Management's expectation that the Company's larger market capitalization will result in a lower cost of capital and provide shareholders with increased liquidity.

While the purchase of a majority interest in Tricon IX will reduce third party AUM, Management intends to continue on growing its Fund Management business and related AUM. In this regard, the Company has received additional soft commitments of approximately US$125 million for U.S. distressed fund Tricon XI (successor investment vehicle to Tricon IX and expects to announce a second closing in Q3 2013 that could double the size of the fund. The Company will then have several more months to secure a final closing for Tricon XI. It should be noted that Limited Partners admitted after the initial closing of a fund are required, inter alia, to pay Management Fees calculated as though they were admitted to the fund at the date of initial closing. In addition, the Company is working on two separate accounts involving investments in U.S single family land that it expects to close in Q3 or Q4 2013.

Notwithstanding what is still a difficult fundraising environment, the Company believes its ability to use its balance sheet to make major co-investments and to warehouse assets for institutional investors will enable it to succeed where other general partners may fail. As our Fund Management business evolves, we anticipate that our growth in AUM will increasingly come from separate accounts rather than co-mingled funds which reflect both changing preferences amongst larger institutional investors and the increased time it takes to raise co-mingled funds in a much more competitive fundraising environment.

In terms of the investment environment, we continue to see extremely attractive investment opportunities, particularly related to urban in-fill and well located suburban land development projects in the United States. Our strategy for Tricon XI is to invest in well located residential development projects which are purchased from distressed or motivated sellers where the business plan would be to either build out units/homes with our local development partners or service the land and sell to public and major private homebuilders. In this regard, we have already committed to six quality investments for Tricon XI representing approximately

US$120 million that should generate a gross IRR of 24%. We believe there is potentially upside to these returns as the U.S. housing market is in the early stages of a full recovery that could last multiple years given the magnitude of the downturn.

In the U.S. single family rental segment, the Company is one of approximately ten major players which are “institutionalizing” what up until now has been a cottage industry run by small local investors and operators, albeit in a sector that is meaningfully larger than the institutional U.S. multi-family sector (buildings with 20 plus units). Through our investment in five “best in class” local operators, the Company expects to indirectly acquire interests in over 4,000 single-family homes by mid-2014. The Company’s business plan remains on target, with its operating partners continuing to purchase homes based on underwritten gross yields of 9-13%. Although portfolio average gross yields achieved to date of approximately 14% exceed our initial underwriting, in certain submarkets (particularly in Phoenix, Arizona and across Tricon’s target markets within California), rising home prices coupled with a reduction in inventory overhang may pressure yields and predicate a slower acquisition pace through the balance of the year, ultimately resulting in the termination of the Company’s investment program in these markets. That being said, the Company continues to see strong acquisition opportunities in the Southeastern United States where its partner Lake Success Living is buying homes in both Southeast Florida and Charlotte. In addition, the Company is evaluating the opportunity to enter select new markets (largely in conjunction with existing operating partners), which have a strong pipeline of distressed home sales yet possess positive underlying demographic and employment fundamentals. It is expected that the Company will enter one or more of Las Vegas, Tampa Bay and San Antonio during Q3/Q4 2013.

Investment in the Canadian new housing market, particularly in Toronto, has become increasingly difficult as a result of a multitude of factors including a tighter lending environment (for both acquisition and construction loans and for end loans for consumer mortgages), increased investor skepticism caused by negative headlines and debt warnings by the Bank of Canada, construction cost inflation, and increased development levies and taxes. Accordingly, the Company continues to take an extremely cautious approach to new investment activity although it believes that a pending correction or shake out could lead to increased opportunities in the future, particularly for a well capitalized and experienced asset manager such as Tricon. The Company has been proactive in the management of its investments with exposure to the Toronto condo market, including the portfolios in funds Tricon VIII, Tricon X and new fund Tricon XII. We are pleased to report that roughly 93% of the related developer inventory has been sold with 20% deposits or greater.

While the overall Canadian housing market remains relatively stable, notwithstanding a more onerous investment environment in Toronto, the Company believes that there are better risk adjusted investment opportunities in the United States. As such, Tricon is well positioned to capitalize on the U.S. housing recovery through its exposure to residential land / new housing and its investments in U.S. single-family rental.

5. FUND INFORMATION

The Company manages six active funds (Tricon VIII to XII and separate account Cross Creek Ranch). The funds provide financing to local development partners or operators to acquire, develop and/or construct primarily residential projects including multi-family construction, single-family land development and homebuilding. The funds also provide financing for retail development but this is typically done in conjunction with residential projects such as master planned communities or retail anchored, urban condos. Given the severity of the housing downturn in the U.S. that occurred from 2006 through 2009, active U.S. funds Tricon IX and XI provide financing to local operators to enable them to acquire distressed residential assets mainly through the purchase of (i) discounted bank notes, (ii) REO property (i.e. property foreclosed on by banks), (iii) property in bankruptcy, and (iv) property from other distressed or motivated sellers. While we remain focused on residential real estate development, the Company is opportunistic in nature and, as such, our strategy related to geographic and product type allocation may shift from fund to fund.

5.1 Assets Under Management

Our funds typically have a life of eight years with two one-year extensions available under certain circumstances and an Investment Period of three to four years. The manager of each of these funds, a wholly-owned subsidiary of the Company, earns Management Fees, General Partner Distributions (both of which are not contingent on fund performance) and Performance Fees if certain predetermined return thresholds are met. In addition, as a limited partner in Tricon XI and Tricon XII as well as future funds, the Company will earn it's pro rata share of income from co-investing in these funds. Contractual Fees are charged to limited partners based on the size of their commitment and typically range from 1% to 2% per annum. During the Investment Period, fees are charged on a limited partner's commitment. After the Investment Period, Contractual Fees are charged on the lesser of the limited partner's commitment and the outstanding invested capital. Contractual Fees decline over time once the Investment Period expires and investments are realized. General Partner Distributions are based on prescribed formulas within a Fund's Limited Partnership Agreement and also decline over time as investments are realized. Performance Fees are typically calculated as 20% of net cash flow and are paid after limited partners' capital together with a preferred return of 9% to 10%. The Performance Fee formula may also contain a "catch-up" provision which enables the manager (a wholly owned subsidiary of the Company) to earn a higher percentage of net cash flow as a Performance Fee until the ratio of the limited partner return (preferred return plus its share of net cash flow) to Performance Fees paid to the manager is 80/20, with Performance Fees reverting back to 20% of net cash flow thereafter.

A major factor determining the Contractual Fees to be ultimately earned by the Company is AUM. A summary of AUM by fund is presented below.

Assets under Management Summary

(in Canadian dollars unless otherwise noted)

				Capitalization		Assets Under Management [3] (Canadian Equivalent) [2]			
Fund	Fund Currency	Initial Close	Investment Period End	Originating Currency [1]	Canadian Equivalent [2]	June 30, 2013	March 31, 2013	December 31, 2012	June 30, 2012
TCC VI	CA	June-2004	March-2007	95,703,000	95,703,000	-	-	-	68,353,000
TCC VII	US	September-2004	March-2007	247,200,000	260,005,000	-	-	-	232,722,000
Tricon VIII	CA	October-2005	June-2008	101,124,000	101,124,000	47,860,000	53,433,000	76,848,000	76,848,000
Tricon IX	US	May-2007	January-2012	331,775,000	348,961,000	348,961,000	334,142,000	328,277,000	334,468,000
Tricon X	CA	April-2008	April-2011	85,362,000	85,362,000	80,258,000	79,949,000	79,993,000	80,574,000
Tricon XI	US	August-2012	November-2016	100,000,000	105,180,000	98,036,000	101,600,000	99,489,000	-
Tricon XII	CA	March-2011	March-2014	175,750,000	175,750,000	175,779,000	175,750,000	175,750,000	175,750,000
Separate Accounts	US	June-2012	--	129,600,000	136,313,000	133,840,000	131,673,000	128,939,000	131,933,000
Syndicated Investments	US	--	--	14,900,000	15,672,000	1,052,000	1,016,000	1,094,000	1,018,000
Syndicated Investments	CA	--	--	65,606,000	65,606,000	25,476,000	25,476,000	25,476,000	25,476,000
Private Funds						**$ 911,262,000**	**$ 903,039,000**	**$ 915,866,000**	**$ 1,127,142,000**
Co-Investment (Cross Creek Ranch)	US	June-2012	--	14,400,000	15,146,000	17,619,000	14,631,000	14,327,000	14,659,000
Co-Investment (Tricon XI)	US	August-2012	November-2016	25,000,000	26,295,000	33,439,000	25,400,000	24,873,000	-
Co-Investment (Tricon XII)	CA	March-2011	March-2014	20,000,000	20,000,000	19,971,000	20,000,000	20,000,000	20,000,000
Single-Family Portfolio [4]	US	May-2012	--	233,910,000	246,027,000	312,620,000	196,847,000	140,367,000	31,351,000
Principal Investing						**383,649,000**	**256,878,000**	**199,567,000**	**66,010,000**
Total Assets Under Management						**$ 1,294,911,000**	**$ 1,159,917,000**	**$ 1,115,433,000**	**$ 1,193,152,000**

Notes:

1. Fund capitalization does not include syndicated investments, which are shown seperately. The Company's co-investment in certain funds is shown under Principal Investing.
2. Foreign exchange rates used at each balance sheet date are; at June 30, 2013 CA$1.0518 per US$1.00, at March 31, 2013 CA$1.016 per US$1.00, December 31, 2012 CA$0.9949 per US$1.00, and at June 30, 2012 CA$1.018 per US$1.00.
3. During the investment period, Assets Under Management equals the Fund Capitalization. After the investment period, Assets Under Management represents the lesser of:
   (a) fund capital commitment, and (b) invested capital plus unfunded project commitments.
4. Assets under Management is equal to the fair value of the assets in Investment Properties and Housing Inventory and exclude imputed selling expenses.

5.2 Projected Fund Performance

The net cash flow generated by each of the funds ultimately determines the Performance Fees to be earned by the Company. The estimates shown below are only for funds expected to generate Performance Fees and are based on information gathered from our developers, detailed in-house market research and management expectations. They are reviewed and revised on a quarterly basis.

All amounts are based on actual current project commitments for the life of the fund and do not include any assumptions for the balance of funds to be invested.

During Q2 2013, no new investments were approved for Tricon XI and Tricon XII, however subsequent to quarter end one new investment was approved for Tricon XI of $15 million. Therefore, fund capital available for investment remains unchanged for Tricon XII at $66 million and no further capital is available for Tricon XI investments. As mentioned previously, a second closing is expected for Tricon XI in Q3 2013 with soft commitments currently at US$125 million. We continue to seek suitable investments for Canadian fund Tricon XII and new U.S fund Tricon XI, as well as manage existing investments in predecessor funds.

In Canada, we have seen strong deal flow in Toronto over the past year but have decided to remain on the sidelines (unless an incredibly compelling opportunity presents itself) as the new condo market is under pressure as evidenced by weak launches and aggressive developer incentive programs. Instead we have increasingly opted to focus our investment activity in Western Canada which is still recovering from a pronounced 2007- 2009 correction and is generally less influenced by investor activity than the Toronto condo market.

In the United States, the housing outlook has brightened considerably since the beginning of 2012 as existing home inventory is at or below historical levels, sales and starts have increased meaningfully year over year, and home prices have risen for the first time in approximately six years. While the pickup in momentum and related positive press coverage are encouraging, the U.S. housing industry has a long way to go before it reaches normalized levels of activity and opportunities to invest in "well located" land or housing projects abound. Accordingly, we continue to see very attractive risk adjusted return opportunities in the U.S. and have deployed capital in Tricon XI quickly to take advantage of what we believe is a "historic" window in time to acquire undervalued residential assets.

Fund IRR's and ROI's shown below are based on cash flows projected over the life of each of the funds. Since Tricon IX is essentially unlevered at the project level (unlike the other funds) its returns on a risk-adjusted basis are as good as or better than the other funds.

	Projected - June 30, 2013 [1]				Projected - December 31, 2012 [1]			
Fund	Gross ROI	Gross IRR	Net ROI [5]	Net IRR [5]	Gross ROI	Gross IRR	Net ROI [5]	Net IRR [5]
Tricon VIII	2.1x	17%	1.5x	12%	2.1x	17%	1.7x	13%
Tricon IX	1.8x	14%	1.5x	10%	1.7x	14%	1.5x	11%
Tricon X	2.0x	17%	1.5x	12%	2.0x	18%	1.6x	13%
Tricon XI [2]	1.9x	24%	n/a	n/a	1.9x	24%	n/a	n/a
Tricon XII [2]	1.9x	18%	n/a	n/a	1.9x	18%	n/a	n/a
Syndicated Investments [3]	2.3x	13%	2.0x	12%	1.9x	15%	1.8x	12%
Separate Accounts [4]	2.7x	23%	2.6x	22%	2.7x	23%	2.7x	23%

Notes:

1. All amounts are based on actual current project commitments and do not include any assumptions for the balance of the funds' capital, if any, to be invested.
2. Expected Net Returns to Limited Partners are not meaningful until the fund is fully committed.
3. Syndicated investment returns are for current active syndicated investments only.
4. Return shown are based on the full Cross Creek commitment of US$144 million with total peak investment expected to be $125 million.
5. Net ROI and IRR is after all fund expenses (including Contractual and Performance Fees).

Financial data for funds expected to pay Performance Fees are as follows:

June 30, 2013 *(in Fund currency)*

Fund	Fund Currency	Fund Capitalization [1]	Project Commitments [2]	Fund Capital Available [3]	Actual and Projected Gross Cashflow [4] Total	Realized	Unrealized	Projected Net Cashflow [5]
Tricon VIII	CA	$ 101,124,000	$ 102,981,000	$ -	$ 179,972,000	$ 101,493,000	$ 78,479,000	$ 94,451,000
Tricon IX	US	331,775,000	322,520,000	-	539,764,000	45,530,000	494,234,000	237,025,000
Tricon X	CA	85,362,000	88,733,000	5,000,000	151,374,000	32,263,000	119,111,000	76,596,000
Tricon XI [6]	US	125,000,000	121,500,000	-	148,736,000	1,371,000	147,365,000	71,365,000
Tricon XII [6]	CA	195,750,000	117,700,000	66,000,000	135,844,000	2,526,000	133,318,000	65,544,000
Syndicated Investments [7]	CA	65,606,000	25,476,000	-	57,052,000	6,940,000	50,112,000	32,492,000
Separate Accounts	US	144,000,000	144,000,000	-	283,655,000	20,865,000	262,790,000	156,655,000
Total - June 30, 2013 [8]					**$ 1,496,397,000**	**$ 210,988,000**	**$ 1,285,409,000**	**$ 734,128,000**
Total - Previous Quarter					**$ 1,483,846,000**	**$ 193,551,000**	**$ 1,290,295,000**	**$ 724,213,000**

1. Fund capitalization is the aggregate of the amounts committed by third party limited partners and the Company's co-investment.
2. Fund commitments to projects including guarantees made under loan agreements plus reserves. Project commitments can exceed Fund Capitalization as a result of re-investment rights. Syndicated project commitments shown of $25,476,000 are for current active projects.
3. Capital available, after operating reserves and project contingencies, for new or supplemental investments. Project Commitments plus Fund Capital Available do not necessarily add up to Fund Capitalization.
4. Actual and projected gross cashflows over the life of the fund.
5. Projected net cashflows are before fund expenses, management fees, general partner distributions and performance fees over the life of the fund. Excluding Performance Fees, total fund expenses incurred over the life of a fund have historically been 10% (or less) of fund capitalization. Projected Net Cashflow is derived by subtracting the actual investment amount from Actual and Projected Gross Cashflow. Investment does not necessarily equal Project Commitments.
6. No projections have been made in respect of fund capital not committed to projects.
7. Syndicated investments shown are for current active projects which have future cashflows.
8. Totals assume that US$1.00 equals CA$1.00.

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The breakdown of underlying exposure related to investments made by fund and by region is as follows:

BY FUND

Product Available

Fund	Land (Acres)	Single-Family Lots [1,2]	Homes (Units)	Multi-Family (Units) [2]	Retail (SF)
Tricon VIII	46	2,543	-	2,620	58,899
Tricon IX	-	4,358	826	535	8,998
Tricon X [(4)]	70	422	-	2,291	317,163
Tricon XI	173	4,235	415	-	-
Tricon XII	-	-	-	1,687	-
Separate Accounts	238	4,775	-	-	-
Total	**527**	**16,333**	**1,241**	**7,133**	**385,060**
Double Counted [(3)]	-	-	-	(941)	(36,481)
Net	**527**	**16,333**	**1,241**	**6,192**	**348,579**

Product Sold

Fund	Land (Acres)	Single-Family Lots [1,2]	Homes (Units)	Multi-Family (Units) [2]	Retail (SF)
Tricon VIII	-	456	-	2,583	36,714
Tricon IX	-	553	811	98	8,998
Tricon X	51	207	-	1,545	18,360
Tricon XI	-	-	-	-	-
Tricon XII	-	-	-	855	-
Separate Accounts	-	526	-	-	-
Total	**51**	**1,742**	**811**	**5,081**	**64,072**
Double Counted [(3)]	-	-	-	(911)	(18,360)
Net	**51**	**1,742**	**811**	**4,170**	**45,712**

Notes:
1. Lots include finished, partially finished and undeveloped lots.
2. Includes lots/units which have not been released to the market yet.
3. Certain investments which are shared between Tricon VIII and X and included in both funds have been removed.
4. Excludes optioned land which has not yet been closed.

BY REGION

Product Available

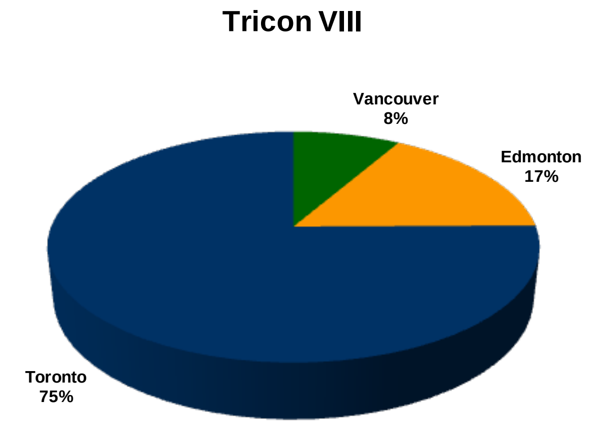
Region	Land (Acres)	Single-Family Lots [1,2]	Homes (Units)	Multi-Family (Units) [2]	Retail (SF)
Canada					
Toronto	-	-	-	3,115	84,181
Vancouver	-	-	-	1,731	-
Calgary [(4)]	-	-	-	811	255,400
Edmonton	116	2,965	-	-	-
United States					
Southern California	-	749	315	-	-
Northern California	-	1,438	200	472	-
Phoenix	112	5,700	228	-	-
Atlanta	-	355	196	63	8,998
Florida	-	351	302	-	-
Dallas	61	-	-	-	-
Houston	238	4,775	-	-	-
Total	**527**	**16,333**	**1,241**	**6,192**	**348,579**

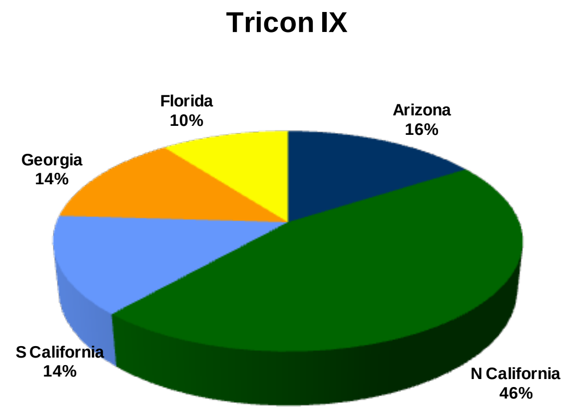
Product Sold

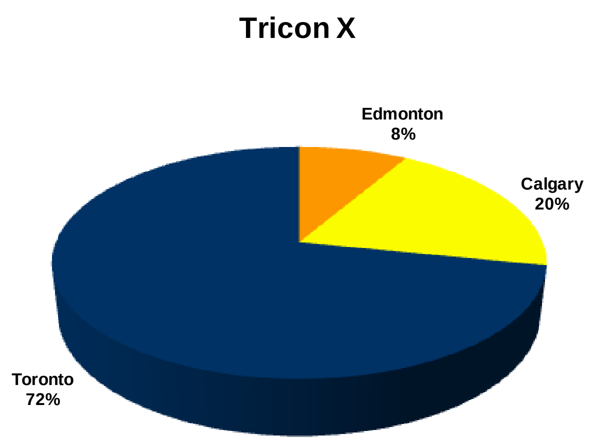
Region	Land (Acres)	Single-Family Lots [1,2]	Homes (Units)	Multi-Family (Units) [2]	Retail (SF)
Canada					
Toronto	-	-	-	2,901	36,714
Vancouver	-	-	-	1,023	-
Calgary [(4)]	-	-	-	148	-
Edmonton	51	663	-	-	-
United States					
Southern California	-	-	-	-	-
Northern California	-	211	192	35	-
Phoenix	-	342	128	-	-
Atlanta	-	-	189	63	8,998
Florida	-	-	302	-	-
Dallas	-	-	-	-	-
Houston	-	526	-	-	-
Total	**51**	**1,742**	**811**	**4,170**	**45,712**

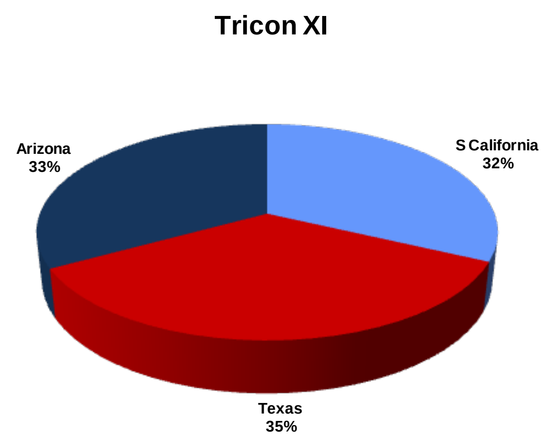
Notes:
1. Lots include finished, partially finished and undeveloped lots.
2. Includes lots/units which have not been released to the market yet.
3. Certain investments which are shared between Tricon VIII and X and included in both funds have been removed.
4. Excludes optioned land which has not yet been closed.

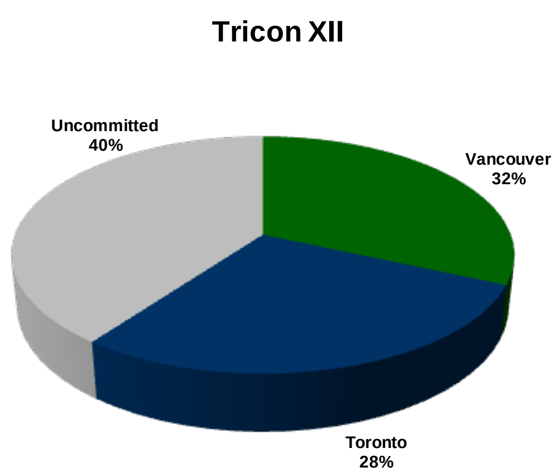
The geographic breakdown (by dollars committed) by individual funds is as follows:











6. U.S. SINGLE-FAMILY RENTAL PORTFOLIO

The following detailed information is provided for the Company's investment in its U.S. single-family rental strategy which was launched in Q2 2012. The Company accounts for all of its investments, including the limited partnerships which own the homes in this strategy, on a fair value basis. The underlying operating performance of these limited partnerships impacts the changes in the fair value of the Company's investment and as a result Tricon believes it is prudent to disclose key operating data for the strategy. This information is broken down between rental homes and Inventory Homes. Inventory Homes are specifically purchased with the objective of a short-term hold, renovation and sale.

A total of 696 homes were purchased in Q2 2013 increasing the total number of homes purchased since inception to 2,646 homes, with 2,538 homes owned as of quarter-end (the remaining homes were sold via the Company's Inventory Home program).

Of the 2,538 homes, 2,456 were rental homes with 1,819 or 74% rented at the end of the quarter. The portfolio occupancy rate declined nominally, from 76% at the end of Q1 2013, a result of the significant increase in acquisitions in Q2 2013 (which was more than double the 318 homes acquired in Q1 2013). Management expects that the rental operators will increase portfolio occupancy rate in upcoming quarters as the portfolio is further stabilized. Furthermore, the occupancy rate for rental homes owned six months or longer was approximately 90% as of June 30, 2013, slightly lower than Q1 2013, as a result of the Company's decision to renovate a meaningful number of homes in the 550 unit Charlotte Portfolio that were previously occupied at the time of acquisition in December 2012. The six month occupancy rate would be over 93% if the Charlotte portfolio had been excluded in the calculation, slightly higher than the 91% reported at the end of Q1 2013.

Co-investment by local operators was US$34,250,000, resulting in total limited partnership capital of US$260,208,000. In addition, at the end of the quarter there was US$36,047,000 of borrowings at the partnership level, resulting in an aggregate capitalization of US$296,255,000. A cash balance of US$15,338,000 was held by local operating partners to satisfy future property acquisitions and renovations, leaving approximately US$280,917,000 invested in properties.

A summary of the Company's investments in each of its U.S. single-family rental limited partnerships and rental operating partner co-investments is as follows:

U.S. Single-Family Portfolio

(in US dollars rounded to thousands)

Operating Partner	Geography	Total Equity Invested [1]	Borrowings	Investments [2] Rental	Under Renovation	Inventory Homes [3]	Total	Total Units Acquired	Units Sold
29th Street Capital	Sacramento	$ 41,444,000	$ 15,791,000	$ 38,367,000	$ 4,984,000	$ 8,285,000	$ 51,636,000	455	62
McKinley Partners	San Francisco Bay, Inland California, Reno	62,532,000	9,432,000	58,940,000	8,042,000	1,527,000	68,509,000	427	3
Casa Vista	Phoenix	46,216,000	4,509,000	40,052,000	3,962,000	5,271,000	49,285,000	420	41
Lake Success	Southeast Florida, Charlotte	100,830,000	6,315,000	87,711,000	14,642,000	3,199,000	105,552,000	1,308	2
Turnstone	Los Angeles	9,186,000	-	4,324,000	948,000	663,000	5,935,000	36	-
Total		**$ 260,208,000**	**$ 36,047,000**	**$ 229,394,000**	**$ 32,578,000**	**$ 18,945,000**	**$ 280,917,000**	**2,646**	**108**

Notes:
1. Cash advanced by limited partner and general partner to the single-family partnerships.
2. Investment balances are presented at cost and NOT at fair value.
3. Inventory Homes are homes purchased on an opportunistic basis specifically for resale.

Rental Revenue for Q2 2013 and YTD 2013 was $5,006,000 and $8,527,000, respectively, and is expected to continue to increase as the remaining homes are renovated and put into service. Rental Expenses for Q2 2013 and YTD 2013 amounted to $2,020,000 and $3,386,000, respectively, resulting in Gross Rental Operating Income for Q2 2013 and YTD 2013 of $2,986,000 and $5,141,000. The portfolio's Gross Rental Operating Income Margin for Q2 2013 and YTD 2013 was 60% compared to 53% for fiscal year 2012. This improved margin resulted primarily from increased occupancy rates. For Q2 2013 and YTD 2013, Rental Operator Asset Management Fees incurred were $816,000 and $1,394,000, respectively.

During Q2 2013, the rental partnerships sold 24 Inventory Homes. This generated Revenue from Homes Sold for Q2 2013 and YTD 2013 of $6,272,000 and $14,681,000, respectively, offset by the Cost of Homes Sold, including selling expenses, of $5,892,000 and $13,695,000 resulting in gross profit of $380,000 and $986,000, respectively, or a gross profit margin of 7%, equivalent to a 22% annualized non-compounded return and generally in-line with internal targets. Although the Inventory Home component of this strategy has been a meaningful contributor to the segment's bottom-line financial performance to date, it is expected that the opportunity to "flip" homes will continue to diminish in upcoming quarters and the Company expects a reduction in the volume of Inventory Homes acquired going forward.

The Unrealized Fair Value Adjustment on Investment Properties and Inventory Homes held by the limited partnerships increased for Q2 2013 and YTD 2013 by $5,161,000 and $19,772,000, respectively. This increase in the Fair Value of Investment Properties held by the limited partnerships generated unrealized Rental Operator Performance Fees of $151,000 and $2,917,000, respectively, related to imputed performance fees earned by the rental operators based on the current value of the portfolio, for a net increase in the fair value of the Company's investment of $5,010,000 and $16,855,000 in Q2 2013 and YTD 2013, respectively. These fair value adjustments reflect rising home prices in the markets where Tricon's single-family rental homes are located.

Single-family rental income is expected to ramp up throughout the remainder of 2013 and beyond as existing homes are rented and additional homes are purchased, renovated and then rented. At the limited partnership or operator level, Single Family Net Income for Q2 2013 and YTD 2013 was $7,446,000 and $21,427,000, respectively, a substantial increase over fiscal 2012.

	For the Three Months Ended June 30, 2013		For the Six Months Ended June 30, 2013		For the Year Ended December 31, 2012	
	USD	CAD	USD	CAD	USD	CAD
Rental Revenue (A)	$ 4,889,000	$ 5,006,000	$ 8,376,000	$ 8,527,000	$ 2,310,000	$ 2,291,000
Property Taxes	457,000	468,000	798,000	813,000	216,000	214,000
Renovation Expense	347,000	355,000	542,000	551,000	110,000	109,000
HOA/Utilities	203,000	208,000	363,000	369,000	145,000	144,000
Other Direct Expenses	54,000	56,000	112,000	114,000	125,000	125,000
Property Management Fees	396,000	405,000	693,000	705,000	175,000	173,000
Leasing Commissions	143,000	146,000	261,000	266,000	126,000	124,000
Insurance	325,000	333,000	503,000	513,000	154,000	153,000
Bad Debt Expense	35,000	36,000	35,000	36,000	14,000	14,000
Other	13,000	13,000	18,000	19,000	14,000	13,000
Rental Expenses (B)	1,973,000	2,020,000	3,325,000	3,386,000	1,079,000	1,069,000
Gross Rental Operating Income ("GROI")	**$ 2,916,000**	**$ 2,986,000**	**$ 5,051,000**	**$ 5,141,000**	**$ 1,231,000**	**$ 1,222,000**
GROI Margin (GROI/A)	60%	60%	60%	60%	53%	53%
Inventory Homes Revenue	$ 6,132,000	$ 6,272,000	$ 14,462,000	$ 14,681,000	$ 11,174,000	$ 11,091,000
Less:						
Cost of Homes Sold	$ 5,644,000	5,774,000	13,174,000	13,374,000	9,864,000	9,792,000
Selling Expenses	115,000	118,000	316,000	321,000	514,000	509,000
Gross Profit Margin Inventory Homes ("GPMIH")	**$ 373,000**	**$ 380,000**	**$ 972,000**	**$ 986,000**	**$ 796,000**	**$ 790,000**
Gross Margin (excludes Selling Expenses)	7%	7%	7%	7%	8%	8%
Single-Family Gross Operating Income ("SFGOI") (SFGOI = GROI + GPMIH)	**$ 3,289,000**	**$ 3,366,000**	**$ 6,023,000**	**$ 6,127,000**	**$ 2,027,000**	**$ 2,012,000**
Professional Fees	(34,000)	(36,000)	(42,000)	(44,000)	(625,000)	(619,000)
General and Administration Expenses	(77,000)	(78,000)	(115,000)	(117,000)	257,000	254,000
Rental Operator Asset Management	(797,000)	(816,000)	(1,370,000)	(1,394,000)	(335,000)	(332,000)
Single-Family Net Operating Income ("SFNOI")	**$ 2,381,000**	**$ 2,436,000**	**$ 4,496,000**	**$ 4,572,000**	**$ 1,324,000**	**$ 1,315,000**
Rental Operator Performance Fees [1]	(146,000)	(151,000)	(2,846,000)	(2,917,000)	-	-
Fair Value Adjustment on Investment Properties	2,574,000	2,655,000	16,735,000	17,161,000	257,000	254,000
Fair Value Adjustment on Inventory Homes [2]	2,432,000	2,506,000	2,545,000	2,611,000	(335,000)	(332,000)
Single-Family Net Income ("SFNI")	**$ 7,241,000**	**$ 7,446,000**	**$ 20,930,000**	**$ 21,427,000**	**$ 1,246,000**	**$ 1,237,000**

Notes:
1. Approximately US$2.8M of performance fees have been recorded as carried interest potentially payable to the rental operators.
2. Inventory homes no longer written down to net realizable value starting Q2 2013.

The following is a reconciliation of rental partnership earnings information shown on the previous page and the Investment Income – SFR on the Interim Consolidated Statements of Net and Comprehensive Income. In comparison to Single Family Net Income at the limited partnership or operator level, Investment Income – SFR includes adjustments for REIT level expenses, foreign exchange, interest expense and related fees, and taxes.

Single-Family Rental Reconciliation to Financial Statement
(Rounded to nearest thousands of dollars)

	For the Three Months Ended June 30, 2013		For the Six Months Ended June 30, 2013	
	USD	CAD	USD	CAD
Gross Rental Operating Income	$ 2,916,000	$ 2,986,000	$ 5,051,000	$ 5,141,000
Gross Profit Margin Inventory Homes	373,000	380,000	972,000	986,000
Professional fees, General & Administration Expenses, Rental Operator Asset Management	(908,000)	(930,000)	(1,527,000)	(1,555,000)
Other Expenses	(237,000)	(242,000)	(772,000)	(783,000)
Investment Income - SFR Realized	**2,144,000**	**2,194,000**	**3,724,000**	**3,789,000**
Unrealized Fair Value Gain	4,860,000	5,010,000	16,434,000	16,855,000
Unrealized Foreign Exchange	-	2,538,000	-	6,503,000
Credit Facility Fees	(3,471,000)	(3,583,000)	(3,658,000)	(3,772,000)
Interest Expense	(279,000)	(282,000)	(450,000)	(459,000)
Tax	2,629,000	2,628,000	(1,323,000)	(1,363,000)
Net income on FS	**$ 5,883,000**	**$ 8,505,000**	**$ 14,727,000**	**$ 21,553,000**

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Rental Homes

	Sacramento	Reno	Bay Area	Inland Empire	Phoenix	Southeast Florida	Charlotte	Los Angeles	Total
Units Rented	316	60	168	95	263	367	540	10	1,819
Units In-Process	51	28	37	29	93	139	236	24	637
Total Rental Units	**367**	**88**	**205**	**124**	**356**	**506**	**776**	**34**	**2,456**
Key Metrics for Rental Portfolio: *(Information provided by rental operating partners, in US Dollars)*									
Average Monthly Rent	$1,100	$1,200	$1,500	$1,400	$1,000	$1,400	$900	$1,500	$1,100
Average Gross Yield	11%	10%	10%	11%	9%	16%	20%	12%	14%
Average Acquisition Price/Unit [1]	$102,000	$134,000	$151,000	$131,000	$111,000	$93,000	$50,000	$142,000	$92,000
Average Estimated Rehab Cost/Unit	$12,000	$9,000	$15,000	$16,000	$10,000	$18,000	$15,000	$10,000	$14,000
Average Square Footage	1,216	1,542	1,328	1,476	1,986	1,403	1,250	1,135	1,410
Acquisition Price per Square Foot [1]	$84	$87	$114	$89	$56	$66	$40	$125	$65
Rehab Cost per Square Foot	$10	$6	$11	$11	$5	$13	$12	$9	$10
Average Vintage	1975	1979	1963	1978	2003	1955	1962	1952	1970

Inventory Homes

	Sacramento	Reno	Bay Area	Inland Empire	Phoenix	Southeast Florida	Charlotte	Los Angeles	Total
Inventory Homes Sold	62	-	1	2	41	2	-	-	108
Inventory Homes Unsold	26	-	4	3	23	-	24	2	82
Total Inventory Home Units	**88**	**-**	**5**	**5**	**64**	**2**	**24**	**2**	**190**
Key Metrics for Inventory Homes Sold: *(Information provided by rental operating partners, in US Dollars)*									
Average Total Cost Basis/Unit Sold	$203,000	N/A	$264,000	$138,000	$218,000	$102,000	N/A	N/A	$227,000
Average Gross Sale Price/Unit Sold	$234,000	N/A	$351,000	$162,000	$250,000	$203,000	N/A	N/A	$249,000
Average Square Footage/Unit Sold	1,687	N/A	1,103	1,446	2,008	2,233	N/A	N/A	1,809
Average Total Cost Basis per Square Foot Sold	$120	N/A	$239	$95	$109	$46	N/A	N/A	$125
Average Gross Sale Price per Square Foot Sold	$139	N/A	$318	$112	$124	$91	N/A	N/A	$138
Average Hold Period for Inventory Homes Sold	131	N/A	237	194	96	146	N/A	N/A	120
Return on Investment - annualized	22%	N/A	36%	20%	25%	18%	N/A	N/A	22%
Average Vintage of Units Sold	1989	N/A	1960	1996	2004	1975	N/A	N/A	1995

Notes:
1. Average acquistion price of $110,000 ($74 per square foot) when excluding Charlotte.

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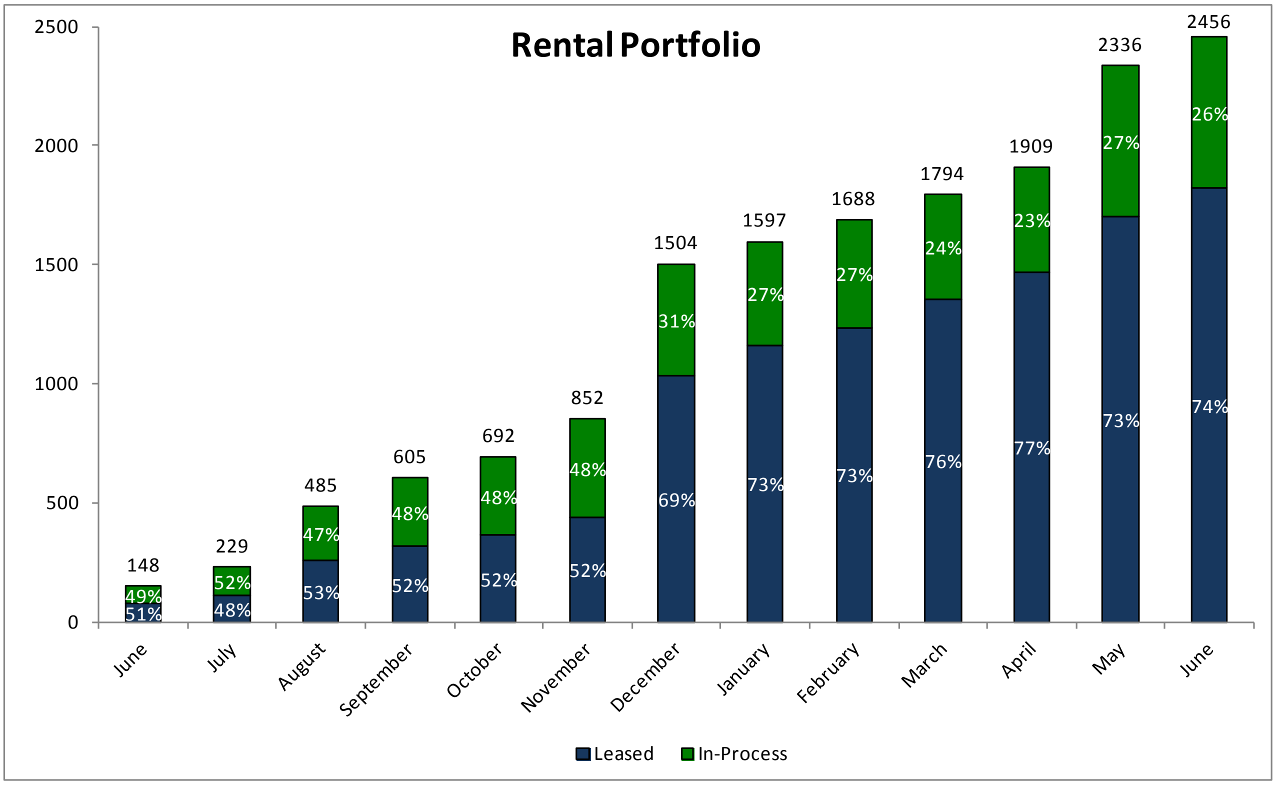
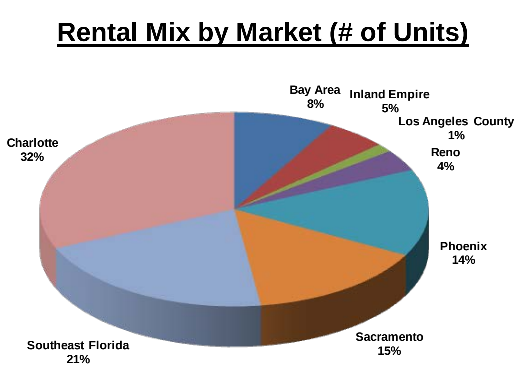
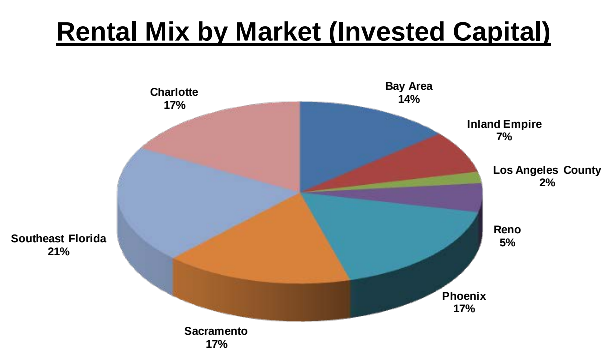
6.1 Rental Homes

As previously noted, 74% of the portfolio or 1,819 homes were leased at the end of Q2 2013, with 19% (459 homes) under renovation and 7% (178 homes) being marketed for lease. On average, it takes approximately 90 days to rehab and market/lease a home after acquisition.



The following pie charts present the geographic mix of rental properties held by the limited partnerships based on unit count and invested capital in USD as provided by rental operators.

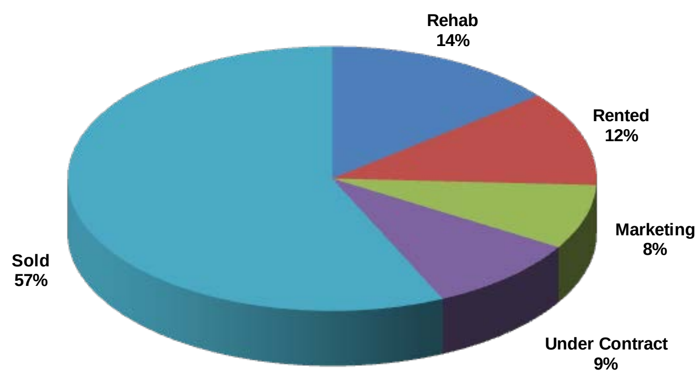




6.2 Inventory Homes

Inventory Homes continue to be a successful part of the Company's single-family rental strategy; however, this opportunity is diminishing and is not expected to have a meaningful contribution to returns by 2014. An additional 34 homes were acquired in Q2 2013 bringing total Inventory Homes acquired by the limited partnerships to 190 at the end Q2 2013. Of the 190 Inventory Homes purchased, 27 homes are in rehab/renovation, 22 homes are rented, 15 homes are being marketed for sale, 18 homes are under contract for sale and 108 have been sold, leaving a total of 82 Inventory Homes owned. These homes take approximately three months to renovate and market to prospective sellers and are expected to generate a profit margin of approximately 7% to 8% - equivalent to a 20% to 25% annualized Return on Investment.

Inventory Home Mix by Market (Invested Capital)



7. OTHER PERTINENT FACTS

7.1 Controls and Procedures

Pursuant to National Instrument 52-109 released by the Canadian Securities Administrators, the Company's CEO and CFO have evaluated the design of the Company's disclosure controls and procedures and the Company's internal controls over financial reporting for the period ended June 30, 2013. The CEO and CFO did not identify any material weaknesses in the Company's system of internal controls over financial reporting.

During the quarter ended June 30, 2013, there were no changes to policies, procedures, and processes that comprise the system of internal controls over financial reporting that may have affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Such controls and procedures are subject to continuous review and changes to such controls and procedures, may require management resources and systems in the future.

7.2 Liquidity and Capital Resources

Revenues are expected to increase to meet ongoing working capital needs and satisfy operating expenses in the short term, including any expenditure required to add personnel or update corporate infrastructure and information systems.

There are no off-Balance Sheet financial arrangements. Long-term lease commitments for premises over the next 10 years are discussed below - See "Transactions with Related Parties" below.

On March 26, 2012 the Company successfully closed a US$11.2 million commitment to Cadiz Riverfront Holdings LP in Dallas, Texas. Approximately US$4.1 million of this commitment had been advanced as at June 30, 2012 to this large scale mixed use land development project. Tricon warehoused this investment until the formation of its successor U.S. distressed fund Tricon XI. On September 5, 2012 the investment was sold to Tricon XI at cost plus a 6.75% per annum, monthly compounded, return on capital invested for proceeds of US$4.3 million.

On April 13, 2012, the Company closed a separate investment account for approximately US$150 million (the "Transaction") with a large Canadian institutional investor to support the acquisition and development of the award-winning, 3,200 acre Cross Creek Ranch master-planned community in Houston, Texas ("Cross Creek" or the "Project"). The Company has committed approximately 10% (or US$14.4 million) of the required capital to the Transaction, with the balance being committed by Tricon's institutional partner and the developer of the Project. At June 30, 2013, the Company had invested US$12.5 million for this transaction under the commitment.

In April 2012, the Company set up a US$7.7 million margin account with BMO Nesbitt Burns with the Company's investments in GICs and Government of Canada T-Bills (Bank of Canada) pledged as collateral to cover U.S. dollar borrowings required for the Cross Creek Ranch investment in Houston, Texas. This was repaid on May 2, 2012 and no borrowings are outstanding at June 30, 2013. This facility was closed in January 2013.

On April 27, 2012, the Company issued 12,937,500 common shares under a bought deal arrangement at $4.00 per share for gross proceeds of $51,750,000. The Company used the net proceeds from the offering of approximately $49,421,000 primarily for its investment in the U.S. single-family home rental strategy.

On July 30, 2012, the Company completed a 6.375% convertible debenture offering for gross proceeds of $51,750,000 (including the over-allotment option exercised by the underwriters) under a bought deal arrangement. The Company used the net proceeds from the offering of approximately $49,000,000 primarily for its investment in the U.S. single-family home rental strategy.

On November 7, 2012, the Company entered into a 3-year term facility and demand facility with the Royal bank of Canada for an operating line of $15 million. The interest rate ranges between prime plus 2% and prime plus 2.5% depending on certain quarterly financial covenants. No funds were drawn by the Company as of June 30, 2013.

On December 4, 2012, the Company issued 10,447,500 common shares under a bought deal agreement at $5.70 per share for gross proceeds of approximately $59,551,000. The Company used the net proceeds from the offering of approximately $57,259,000 primarily for its investment in the US single-family home rental strategy.

On February 25, 2013, the Company completed a second convertible debenture for gross proceeds (including the over-allotment) of $86 million under a bought deal arrangement. The Company is using the net proceeds from the offering of approximately $82,000,000 primarily for its investment in the U.S. single-family home rental strategy.

7.3 Transactions with Related Parties

Tricon has a 10 year sub-lease commitment on our head office premises with Mandukwe Inc. a company owned and controlled by a co-founder and current director of the Company. The annual rental amount is $43,000 plus common area maintenance costs and realty taxes. The lease expires on November 30, 2019.

During Q3 2012, the Company transferred two warehoused investments, The New Home Company ("TNHC") and the Cadiz Riverfront Holdings LP ("Dallas Project"), to Tricon XI on September 5, 2012 for the total proceeds of US$10.5 million ($10.4 million Canadian equivalent) and US$4.3 million ($4.2 million

Canadian equivalent), respectively. A gain of US$979,000 ($958,000 Canadian equivalent) was recognized in the consolidated statement of comprehensive income (loss).

Certain employees of the Company also own units, directly or indirectly, in the various Tricon funds as well as common shares and debentures of the Company.

Please refer to the Related Party Transactions and Balances note in the financial statements for further detail.

7.4 Dividends

On May 8, 2013 the Board of Directors declared a dividend of $2,505,000 (6 cents per share) to shareholders of record on June 30, 2013, payable on July 15, 2013. The Company has paid dividends on a quarterly basis since going public in May 2010.

7.5 Share Capital

On January 1, 2011, the authorized share capital of the Company was 18,240,871 common shares. On November 18, 2011, the Company announced its intention to buy back a portion of outstanding common shares under a Normal Course Issuer Bid ("NCIB") which resulted in the repurchase of 10,400 common shares during 2011. On April 27, 2012, the Company did a bought deal common stock offering which resulted in the issuance of 12,937,500 common shares. On December 4, 2012, the Company did a bought deal common stock offering which resulted in the issuance of 10,447,500 common shares. On December 17, 2012, 137,378 common shares were issued out of treasury for phantom shares vested and exercised. On January 15, 2013 and April 15, 2013, 1,395 and 1,961 shares, respectively, were issued out of treasury under the dividend re-investment plan. On April 30, 2013, 12,500 shares were issued out of treasury from conversion of the July convertible debentures. After giving effect to the transactions noted above, 41,768,705 common shares were outstanding as at June 30, 2013.

Stock options outstanding at June 30, 2013 were 2,021,500 which include 1,010,000 additional options issued during the quarter. No options have been exercised as at June 30, 2013.

Issue Date	Exercise Price	Stock Options Issued	Stock Options Vested
November 22, 2011	$ 4.16	15,000	15,000
November 1, 2012	$ 5.70	15,000	10,000
May 19, 2010	$ 6.00	870,000	870,000
August 3, 2010	$ 5.26	71,500	47,667
November 22, 2011	$ 4.16	40,000	20,000
May 17, 2013	$ 6.81	1,010,000	-

The Company adopted a Phantom Unit Plan on May 18, 2011 after shareholder approval and in accordance with Toronto Stock Exchange (the "TSX") guidelines. The Plan consists of a share based awards mechanism to attract, retain and motivate officers and employees of the Company and promote an alignment of interest between such persons and the shareholders of the Company. At December 31, 2012, there were no units outstanding. During Q2 2013, no additional phantom units were granted to employees, officers and directors of the Company.

Please see the unaudited restated condensed consolidated interim financial statements at June 30, 2013 for further information.

7.6 Critical Accounting Estimates and Judgments

Accounting policies are a critical part of the preparation of financial statements in accordance with IFRS and require us to make estimates and assumptions that affect all components of the Consolidated Balance Sheet and Consolidated Statement of Comprehensive Income (Loss). Estimates and assumptions involve judgments based on available information; therefore, actual results or amounts could differ from estimates and the difference could have a material impact on the consolidated financial statements.

The most significant judgment made in preparing the interim condensed consolidated financial statements is the determination that the Company meets the definition of an investment entity in IFRS 10. In accordance with IFRS 10, an investment entity is an entity that: obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income (including rental income), or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis. IFRS 10 also clarifies that an investment entity may earn fee income from the provision of investment-related services to external parties. The Company has historically co-invested alongside external parties in funds that it manages. During 2012, the Company raised additional capital through the issuance of convertible debentures, in order to invest in U.S. single family home limited partnerships. The partnerships are established with local operating partners who acquire distressed single-family homes and renovate, lease and manage them during the investment period prior to their disposal. In determining its status as an investment entity, the Company has determined that fair value is the primary measurement attribute used to monitor and evaluate its investments, including the U.S. single family home limited partnerships, and that the substance of its participation in the partnerships is as an investor, rather than as an operator or developer of properties.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. As an investment entity, the Company accounts for subsidiaries at fair value, with the exception of subsidiaries which provide services related to the Company's investment activities including the Company's Canadian and U.S. asset management operating entities which earn management fees and carried interest from our funds, which continue to be consolidated. Subsidiaries providing such services are fully consolidated from the date on which control is obtained and no longer consolidated from the date on which control ceases. Inter-company transactions, balances and unrealized gains or losses on transactions between the Company and its consolidated subsidiaries are eliminated. Accounting policies of Tricon's consolidated subsidiaries have been conformed where necessary to ensure consistency to the policies adopted by the Company.

In June 2013, Management determined that the Company was an "investment entity" and no longer had to consolidate the five rental partnerships or the wholly owned subsidiaries which hold the investments in Tricon XII and Cross Creek loan. As a result, the balance sheet and income statement items of the single-family rental operators, Tricon XI, Tricon XII and the Cross Creek loan were deconsolidated from the consolidated financial statements and the Q1 2013 financials were restated and re-filed. These investments are now accounted for on a fair value basis on the restated condensed consolidated financial statements.

On March 26, 2012, the Company committed US$11.2 million to a Dallas, Texas investment for an 80% limited partnership interest in Cadiz Riverfront Holdings, LP. It was determined that consolidation of this entity was not required since an analysis of the control criteria indicated the Company had joint control under the IAS 28 exemption and elected to fair value the asset.

The analysis of the Cross Creek Ranch equity investment indicated significant influence and therefore is treated as an investment in associate and accounted for using the fair value exemption election in IAS 28.

During Q3 2012 and Q1 2013, the Company analyzed the convertible debentures and determined that the debentures contained both a conversion option and a redemption option which would need to be bifurcated between the host loan and the fair value of the embedded options. Because the redemption option may be exercised by the Company when the common share price hits a specific level, the redemption option is considered to act as a forced conversion feature and was combined with the value of the conversion option. Therefore, the loan will be carried at amortized cost and the embedded options at fair value as per IAS 39.

The LTIP liability calculation requires the Company to estimate the fair value of Performance Fees that would be paid into the Performance Fee-Related Bonus Pool based on the estimated fair market value of assets within the funds managed by the Company at the reporting date. This requires significant estimates and assumptions regarding future cash flows and discount rates by project within the funds, as described in the "Fund Information" section above. Please refer to the Notes to Consolidated Financial Statements, note 14, for further details and sensitivity analysis on the LTIP liability.

7.7 New and Future Accounting Standards

On May 12, 2011 the IASB issued IFRS 13, *Fair Value Measurement*. IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Management analyzed the impact of this standard to the Company and adopted the standard. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

On June 16, 2011 the IASB issued an amended version of IAS 19, *Employee Benefits*, effective for annual periods beginning on or after January 1, 2013. The Company did not adopt this standard as of June 30, 2013. Management is in the process of determining the impact of this standard to the Company.

On June 16, 2011 the IASB published amendments to IAS 1 Presentation of Financial Statements. The amendments to IAS 1 retain the 'one or two statement' approach at the option of the entity and only revise the way other comprehensive income is presented: requiring separate subtotals for those elements which may be 'recycled' (e.g. cash-flow hedging, foreign currency translation), and those elements that will not (e.g. fair value through OCI items under IFRS 9). Management has analyzed and adopted this standard and no adjustments were required.

On November 9, 2009 the IASB issued the first part of IFRS 9 *Financial Instruments* which covers the classification and measurement of financial assets that will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Company did not adopt this standard as of June 30, 2013. Management is in the process of determining the impact of this standard to the Company.

On October 31, 2012 the IASB published an Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), providing an exception to the consolidation requirements in IFRS 10 for investment entities. The amendments are effective from January 1, 2014 with early adoption permitted. The Company early adopted this standard effective January 1, 2013 (refer to 7.6).

Risk Definition and Management

The Company has identified a number of risks and uncertainties that are related to our business.

Credit Risk is defined as the risk that the Company will suffer financial loss as a result of debtors being unable to fulfill their obligations to the Company. The Company's credit risk arises primarily from its investments in debt instruments, fees receivable and cash balances.

Liquidity Risk is defined as the risk the Company will not be able to meet its financial obligations as they come due.

Market Risk is defined as the risk that the fair value or future cash flows associated with the Company's financial assets, including our investments, will fluctuate because of changes in real estate market prices, interest rates or foreign exchange rates.

Risk factors related to the Company include, but are not limited to: (i) difficult market conditions or changing real estate markets, (ii) inability to raise additional funds in a timely manner or at all, (iii) loss of key employees, (iv) limited flexibility or control over the properties that the funds invest in, (v) rapid growth in our AUM could adversely affect our investment performance, (vi) failure to execute our succession plan, (vii) competitive pressures, (viii) failure to manage risks (developer, environmental, market, financial) within each investment, (ix) employee error or misconduct, (x) failure to implement effective information security policies, procedures and capabilities, (xi) failure to maintain adequate insurance coverage, and (xii) failure to comply with government regulations.

In addition to the risks mentioned in the preceding paragraph, the Company is also exposed to risks relating to its investment in the U.S. single-family rental limited partnerships strategy. The residential real estate industry is cyclical and is significantly affected by changes in general and local economic and industry conditions, such as employment levels, availability of financing for homebuyers, interest rates, consumer confidence, levels of new and existing homes for sale, demographic trends and housing demand. In addition, an oversupply of new homes or alternatives to new homes, such as resale homes, including homes held for sale by investors and speculators, foreclosed homes and rental properties may reduce the limited partnerships' ability to rent or sell homes, depressed prices and reduced margins from the rental and sale of homes. Conversely, if housing prices in the target markets increase at a rate faster than rents, this could result in downward pressure on the limited partnerships' gross rental yields. The United States residential real estate industry continues to face a number of challenges, with home foreclosures and tight credit standards continuing to have an effect on inventory and home sale rates and prices. Additional risks are disclosed in the prospectuses filed on April 24, 2012, July 23, 2012, December 4, 2012 and February 25, 2013 and they are available on SEDAR (www.sedar.com).

Managing all these risks that the Company is exposed to, described in greater detail in documents filed with SEDAR (www.sedar.com), is a significant senior management responsibility.

The above risk factors are mitigated to a large extent by senior management's direct involvement in the day-to-day operations of the business. Members of senior management meet regularly to address, among other things, business issues, to consider new risks to the business and to chart the direction of the Company in terms of new investments being considered, AUM, geographical focus and strategic direction. Information deemed critical to the ongoing monitoring of the Company's performance and key business metrics are accessible by management when considering operational plans or strategic directions. The Company's investment performance is monitored on an ongoing basis, including a review of trends and activity in real estate markets. The Company has a defined and controlled investment approach, which is the foundation of its investment philosophy and methodology for investing in real estate projects.

Liquidity risk on the debenture is mitigated by the Company's ability to choose repayment by cash, common shares or a combination thereof.

The Company also maintains a system of internal controls and procedures to safeguard assets, control expenses and to ensure that financial reporting is accurate and reliable. The Company believes that trust, integrity and professionalism are essential to the success of the business. Confidential account information is kept under strict control in compliance with all applicable laws and safeguarded from unauthorized parties. The Company has processes in place for succession planning and market based compensation policies to ensure the hiring and retention of highly qualified staff. Insurance policies are reviewed and maintained with adequate coverage on an annual basis.

Please refer to the Notes to Consolidated Financial Statements for further details and analysis on the aforementioned risks.

7.8 Staffing

During 2013, the Company hired a senior investment professional and an accounting analyst dedicated to the U.S. single-family rental investment strategy. The Company will need to assess its staffing requirements on an on-going basis and expects to hire one additional senior executive and two administrative staff members in 2013. The increased staff is reflective of the significant growth in business experienced over the past 12 months and the need to manage the greater AUM. As a listed issuer, additional expenditures may be required as a result of increased regulatory and accounting requirements and technological equipment and back-office systems may need to be upgraded. As the Company grows its separate accounts business and moves forward on its U.S single family rental strategy, staffing levels will continue to be analyzed by management and, to the extent additional hiring is required, this will increase future Salaries and Benefits, and General and Administration expenditures. Managing the costs of a growing Company will be integral to meeting our financial projections and achieving success as a public company.