TRICON CAPITAL GROUP INC.

ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

March 29, 2017

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GENERAL MATTERS

Unless otherwise indicated or the context otherwise requires, "**Company**" or "**Tricon**" refers to Tricon Capital Group Inc. and its material direct and indirect subsidiary entities. The terms "**we**" and "**our**" are references to the Company. Unless otherwise indicated, all dollar amounts in this Annual Information Form ("**AIF**") are expressed in U.S. dollars and references to "$" are to U.S. dollars; references to "C$" are to Canadian dollars.

Market data and other statistical information in this AIF are based on independent industry publications, government publications, reports by market research firms, or other published independent sources. Some data is also based on the Company's good faith estimates that are derived from its review of internal data and information, as well as independent sources, including those listed above. Although the Company believes these sources are reliable, the Company has not independently verified the information and cannot guarantee its accuracy or completeness.

The information contained in this AIF is as of December 31, 2016, unless otherwise indicated.

Forward-Looking Statements

Certain statements in this AIF may be considered "forward-looking information" as defined under applicable securities laws ("**forward-looking statements**"). Statements other than statements of historical fact contained in this document may be forward-looking statements. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate", "aim", "endeavour", "project", "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's expectations, intentions and beliefs concerning anticipated future events, results, circumstances, economic performance or expectations with respect to Tricon and its investments and are based on information currently available to management and on assumptions that management believes to be reasonable. In addition to the specific assumptions noted below, such assumptions include, but are not limited to: Tricon's positive future growth potential; continuing positive investment performance; continuing positive future prospects and opportunities; demographic and industry trends remaining unchanged; availability of a stable workforce; future levels of indebtedness; and current economic conditions remaining unchanged.

This AIF may include forward-looking statements pertaining to the following (see "Description of the Business"):

- Anticipated investment performance (including, in particular: projected returns, timelines and sales expectations, unrealized investment value, and projected cash flows). These measures are based on Tricon's own analysis of relevant market conditions and the prospects for its investees, and on projected cash flows for incomplete projects in its investment vehicles. Projected cash flows are determined based on detailed quarterly and annual budgets and cash flow projections prepared by developers for all incomplete projects. Numerous factors may cause actual investment performance to differ from current projections, including those factors noted under "Risk Factors".

- Tricon American Homes' performance, and in particular the positive impact of its operational integration. These statements are based in part on the expected impact of operational synergies and advantages, which impact may not meet expectations. TAH's performance depends on a number of factors described under "Description of the Business – Investment Verticals – Tricon American Homes" and is subject to a number of risks, many of which are discussed in this AIF under "Risk Factors". These factors, among others, may lead to TAH's performance differing from current expectations, which could impact the value of the Company's investment in TAH and financial condition.

- Anticipated demand for homebuilding, single-family rental homes, manufactured housing communities and luxury apartment suites, and any corresponding effect on occupancy rates and more generally on the performance of the Company's investments. These statements are based on management's analysis of demographic and employment data and other information that it considers to be relevant indicators of trends in residential real property demand in the markets in which the Company invests. Housing demand is dependent on a number of factors, including macro-economic factors, many of which are discussed in this AIF under "Risk Factors". If these or other factors lead to declining demand, occupancy and the pace or pricing of home sales may be negatively impacted, with a corresponding negative impact on the value of the Company's investments and its financial performance.

- The pace of acquisition and the ongoing availability of single-family rental homes at prices that match TAH's underwriting model. These statements are based on management's analysis of market data that it considers to be relevant indicators of trends in home pricing and availability in the markets in which TAH carries on its business. Home prices are dependent on a number of factors, including macro-economic factors, many of which are discussed in this AIF under "Risk Factors". If these or other factors lead to increases in home prices above expectations, it may become more difficult for TAH to find rental homes at prices that match its underwriting model.

- The intentions to build portfolios and attract investment in, and the Company's investment horizon and exit strategy for, each investment vertical, including the anticipated divestiture of TLC and TLR U.S. These statements are based on management's current intentions in light of its analysis of current market conditions, the growth prospects for the Company's investment verticals, and the Company's understanding of investor interest in the sectors, which are factors outside of the Company's control. Should market conditions or other factors impact the Company's ability to build investment portfolios or its ability to execute on its exit strategies, actual results may differ from its current intentions.

- Statements regarding the Acquisition of Silver Bay and any public offering by the Company undertaken in connection with the Acquisition, the terms of the 2022 Debentures and the Subscription Receipts, the terms of any debt financing to be secured in connection with the Acquisition, the timing and quantum of expected or targeted investment returns and performance (including the extent to which the Acquisition will be accretive); the integration of Silver Bay's business into TAH and expected synergies; expectations for the overall growth in the Company's business; and the Company's future strategic plans and simplification of its business model, including its exit from non-core businesses. Such forward-looking information and statements involve risks and uncertainties and are based on management's current expectations, intentions and assumptions in light of its understanding of relevant current market conditions, investee business plans, and the Company's prospects. If unknown risks arise, or if any of the assumptions underlying the forward-looking statements prove incorrect, actual results may differ materially from management expectations as projected in such forward-looking statements. Examples of such risks and uncertainties include, but are not limited to, the occurrence of any event, change or other circumstances that could give rise to the termination of the agreement to acquire Silver Bay; the outcome of any legal proceedings that may be instituted against the Company related to the agreement to acquire Silver Bay; the inability to complete the transaction due to the failure to obtain the required vote of Silver Bay's shareholders or the failure to satisfy other conditions to completion of the transaction; the disruption of management's attention from the Company's ongoing business operations due to the transaction; the effect of the announcement of the transaction on the Company's relationships with its customers, operating results and business generally; the effects of local and national economic, credit and capital market conditions; and other risk factors described in the Company's continuous disclosure materials from time to time.

Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors, including those noted above, could cause Tricon's actual results, performance or achievements to be materially different from any results, performance or achievements that may be expressed or implied by forward-looking statements in this AIF, including, without limitation, those listed under "Risk Factors". Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this AIF. See "Risk Factors" for a more complete list of risks relating to an investment in the Company and an indication of the impact the materialization of such risks could have on the Company, which could cause actual results to deviate from the forward-looking statements.

Although the forward-looking statements contained in this AIF are based upon what management currently believes to be reasonable assumptions, there can be no assurance that actual results, performance or achievements will be consistent with these forward-looking statements. The forward-looking statements contained in this AIF are expressly qualified in their entirety by this cautionary statement. We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The forward-looking statements in this AIF are made as of the date of this document and the Company does not intend to, or assume any obligation to, update or revise these forward-looking statements or information, whether written or oral, to reflect new information, events, results or circumstances or otherwise after the date on which such statement is made to reflect the occurrence of unanticipated events, except as required by law, including securities laws.

Non-IFRS Measures

The Company measures the success of the business by employing several key performance indicators that are not recognized under IFRS. These indicators should not be considered an alternative to IFRS financial measures, such as net income. As non-IFRS financial measures do not have standardized definitions prescribed by IFRS, they are less likely to be comparable with other issuers or peer companies. The key performance indicators used by the Company are described in detail in the Management's Discussion and Analysis for the year ended December 31, 2016, available at www.sedar.com.

GLOSSARY OF TERMS

In this Annual Information Form, the following terms have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders:

"**2022 Debentures**" has the meaning set out under "Description of Capital Structure – Convertible Debentures".

"**2022 Convertible Debenture Indenture**" has the meaning set out under "Description of Capital Structure – Convertible Debentures".

"**Acquisition**" means the Company's proposed acquisition of Silver Bay Realty Trust Corp.

"**Active Investment Vehicles**" means, collectively, THP1 US, THP2 US, THP1 Canada, THP2 Canada, THP3 Canada and the separate accounts, side-cars and syndicated investments described under "Description of the Business – Private Funds and Advisory – Investment Vehicles".

"**Assets Under Management**" includes balance sheet capital invested in the Company's Principal Investment segment and capital managed on behalf of third-party investors in its Private Funds and Advisory business. A detailed description of the calculation of the Company's Assets Under Management is included in the Management's Discussion and Dnalysis for the year ended December 31, 2016, available at www.sedar.com.

"**Audit Committee**" means the audit committee of the Board of Directors.

"**Board of Directors**" or "**Board**" means the board of directors of Tricon Capital Group Inc.

"**Cobblestone**" means Cobblestone Real Estate LLC.

"**committed capital**" means capital commitments made by investors to Tricon-managed investment vehicles.

"**Common Shares**" means the common shares in the capital of Tricon Capital Group Inc.

"**Contractual Fees**" means contractual fees earned in the Company's Private Funds and Advisory business as described under "Description of the Business – Our Revenues – Private Funds and Advisory Revenues".

"**EBITDA**" means earnings before interest, taxes, depreciation and amortization.

"**funds**", "**commingled funds**", "**managed funds**", "**Tricon's funds**", "**our funds**" or "**its funds**" means closed-end commingled funds, structured as limited partnerships, managed by Tricon and formed for the purpose of investing in development properties or other transactions.

"**General Partner Distributions**" has the meaning given to such term under "Description of the Business – Our Revenues – Private Funds and Advisory Revenues".

"**institutional investors**" means entities that generally have substantial assets and investment experience, and which invest capital on behalf of other parties, including, but not limited to, sovereign wealth funds, pension funds, endowment funds, insurance companies and banks.

"**investment vehicle**" means an investment vehicle managed by Tricon, including commingled funds, separate accounts and side-cars.

"**Johnson**" means The Johnson Companies LP.

"**MHC**" means manufactured housing communities and includes an RV resort or park model community.

"**Middle Market**" means U.S. households with household incomes of $50,000 to $95,000 per annum that would be expected, based on this income level, to seek single-family home rental rates of $1,000 to $1,600 per month.

"**Millennials**" means individuals born between the early 1980s and the late 1990s.

"**Performance Fees**" means incentive or performance fees earned from achieving target investment returns in an investment vehicle.

"**Recent Prospectus**" means the Company's short form prospectus dated March 10, 2017, available on SEDAR at www.sedar.com.

"**separate account**" means an investment vehicle in which the Company manages an investment on behalf of one institutional investor (and invests alongside that investor) for a singular investment strategy and in respect of which Tricon earns fee income.

"**side-car**" or "**side-car investment**" or "**syndicated investment**" means an investment vehicle that invests alongside a commingled fund in respect of a particular investment.

"**Silver Bay**" means Silver Bay Realty Trust Corp.

"**Subscription Receipts**" means the subscription receipts, each representing the right to receive one Common Share, qualified for distribution under the Recent Prospectus.

"**Subscription Receipt Agreement**" means the agreement pursuant to which the Subscription Receipts have been issued and which governs their terms.

"**Sunbelt**" means the series of states in the southwestern and southern U.S. commonly known as the "sunbelt".

"**syndicated investment**" – see "side-car".

"**TAH**" means the Tricon American Homes investment vertical.

"**TDG**" means Tricon Development Group Ltd.

"**THP**" means the Tricon Housing Partners investment vertical.

"**THP US SP1**" means Tricon Housing Partners US Syndicated Pool 1, a separate account formed in 2016.

"**THP US SP2**" means Tricon Housing Partners US Syndicated Pool 2, a separate account formed in 2017.

"**THP1 Canada**" means Tricon Housing Partners Canada LP (formerly Tricon VIII Limited Partnership), a limited partnership formed under the laws of the Province of Ontario, together with associated fund entities.

"**THP1 US**" means Tricon Housing Partners US LP (formerly Tricon IX, L.P.), a limited partnership formed under the laws of the State of Delaware, together with associated fund entities.

"**THP2 Canada**" means Tricon Housing Partners Canada II LP (formerly Tricon X Limited Partnership), a limited partnership formed under the laws of the Province of Ontario, together with associated fund entities.

"**THP2 US**" means Tricon Housing Partners US II LP (formerly Tricon XI, L.P.), a limited partnership formed under the laws of the State of Delaware, together with associated fund entities.

"**THP3 Canada**" means Tricon Housing Partners Canada III LP (formerly Tricon XII Limited Partnership), a limited partnership formed under the laws of the Province of Ontario, together with associated fund entities.

"**TLC**" means the Tricon Lifestyle Communities investment vertical.

"**TLR**" means the Tricon Luxury Residences investment vertical.

"**TSX**" means the Toronto Stock Exchange.

"**warehoused investment**" means a temporary investment that will subsequently be offered for transfer to an investment vehicle managed by the Company.

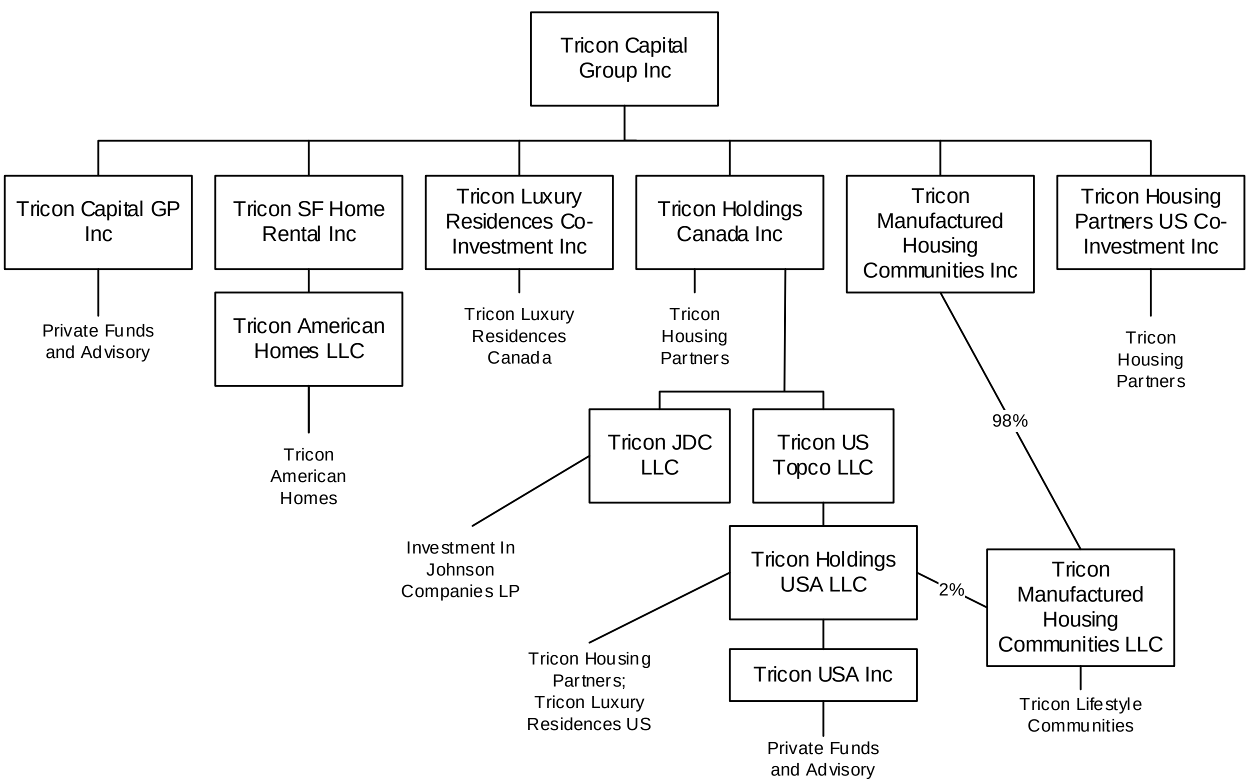
CORPORATE STRUCTURE

Name, Address and Information

A predecessor of the Company was incorporated under the *Business Corporations Act* (Ontario) on June 3, 1988 as “Tri Continental Capital Management Inc”. On June 16, 1997, the Company was incorporated under the *Business Corporations Act* (Ontario) as “Tri Continental Management Inc”, and continued to carry on the business. The Company changed its name to “TCC Management Inc.” on July 10, 1997, and to “Tri Continental Capital Ltd.” on March 19, 1999, before becoming “Tricon Capital Group Inc.” on May 20, 2005. The Company’s head and registered office is located at 1067 Yonge Street, Toronto, Ontario M4W 2L2.

Inter-Corporate Relationships

The following diagram depicts the inter-corporate relationships among the Company’s key subsidiaries as at the date hereof and indicates which of the Company’s investments and activities are carried on through them:



The diagram above does not depict the structure of further subsidiary entities through which specific investments or activities are undertaken within the various investment verticals. The voting securities of all subsidiaries depicted are beneficially owned, directly or indirectly as depicted, entirely by the Company. Tricon American Homes LLC, Tricon Manufactured Housing Communities LLC, Tricon US Topco LLC, Tricon Holdings USA LLC, Tricon USA Inc. and Tricon JDC LLC are Delaware entities. All other entities are Ontario corporations.

DESCRIPTION OF THE BUSINESS

Tricon is a principal investor and asset manager focused on the residential real estate industry in North America with approximately $3.0 billion (C$4.0 billion) of Assets Under Management. Tricon owns, or manages on behalf of third-party investors, a portfolio of investments in land and homebuilding assets, single-family rental homes, manufactured housing communities, and multi-family development projects.

Tricon's business objective is to invest for investment income and capital appreciation through its Principal Investment business segments and to earn fee income through its Private Funds and Advisory business. The Company's investment activities are focused on four related and complementary investment verticals (described in further detail below) within the North American residential real estate industry: Tricon Housing Partners (Land and Homebuilding), Tricon American Homes (Single-Family Rental), Tricon Lifestyle Communities (Manufactured Housing Communities) and Tricon Luxury Residences (Purpose-Built Apartments).

Since its inception in 1988, Tricon has invested in real estate and development projects valued at approximately $18 billion.

Principal Investment

As a principal investor, the Company invests in four related and complementary residential investment verticals, with the objective of generating investment income and capital appreciation, as follows:

Through Tricon Housing Partners ("**THP**"), the Company co-invests in private investment vehicles, such as commingled funds, separate accounts and side-cars that participate in the development of for-sale residential real estate across North America. As an investor or co-investor, the Company earns its *pro rata* share of investment income from the underlying investments.

Tricon American Homes ("**TAH**") invests in single-family rental homes through its integrated platform responsible for the acquisition, renovation, leasing and property management of single-family rental homes within major U.S. cities, primarily in the Sunbelt and adjacent states.

Tricon Lifestyle Communities ("**TLC**"), through a joint venture with Cobblestone, invests in manufactured housing communities in the U.S. situated in Arizona and California. Under the terms of the joint venture, TLC will invest 99% of the equity capital for each MHC and earn related income primarily from leasing "pads" or lots to owners of prefabricated homes and, to a much lesser extent, renting park-owned homes to tenants.

Tricon Luxury Residences ("**TLR**") co-invests in Class A purpose-built luxury rental apartments alongside local developers and institutional investors. In Canada, TLR co-invests alongside institutional investment partners that provide the majority of the project capital. A wholly-owned subsidiary of the Company serves as the principal developer for projects situated in Toronto in order to enhance overall returns from the investments therein. Through the Tricon Luxury Residences strategy in Canada, the Company expects to earn primarily investment income and ancillary fee income. In the U.S., TLR earns primarily investment income by participating as a dedicated limited partner in partnership with a local developer and providing the majority of the project equity.

Private Funds and Advisory

Tricon manages an investment portfolio of residential real estate assets on behalf of third-party investors in the U.S. and Canada. Tricon also participates in these investments through its THP and TLR investment verticals. Our business objective in our Private Funds and Advisory business is to earn fee income through:

(i) Asset management of third-party capital in our investment vehicles. The Company's asset management business is focused on investments in land and homebuilding assets through Tricon Housing Partners, and investments in Canadian Class A purpose-built apartments through Tricon Luxury Residences.

(ii) Development management and related advisory services through Tricon's 50.1% investment in Johnson and for development management services performed by Tricon Development Group Ltd. in respect of TLR projects in Canada.

Investment Verticals

Tricon Housing Partners (Land and Homebuilding)

Tricon Housing Partners, the Company's land and homebuilding investment vertical, is dedicated to providing equity or equity-type financing to experienced local or regional developers/builders (i.e., housing partners) in Canada and the United States. These development partners or operators acquire, develop, and/or construct primarily residential projects including single-family and multi-family land development, homebuilding, condominium construction, and ancillary commercial development related to housing projects.

The Company is opportunistic in its pursuit of investments but generally focuses on the following core investment categories: (i) master planned communities; (ii) land development; (iii) homebuilding; (iv) infill condominiums and attached housing; and (v) active-adult communities. These projects typically require between $10 and $150 million of equity capital, with most transactions requiring $20 million to $75 million. The investments are structured as self-liquidating transactions, generally with cash flow generated as land, lots and homes are sold to third-party buyers (typically large homebuilders in the case of land and master planned communities, and end consumers in all other cases). In select cases, a property may also be sold in bulk to a third-party buyer in situations where sufficient returns can be achieved from the sale without participating in the full build-out of the property. With the exception of larger land investments and master planned communities, the majority of core investments are expected to be substantially completed within a two- to six-year time horizon.

The Company typically invests in land and homebuilding projects by making meaningful co-investments in Tricon-sponsored investment vehicles, including commingled funds and separate accounts, or by investing directly in the development project through a joint venture arrangement with a local operating partner. As a principal investor in Tricon Housing Partners, the Company typically co-invests 10% to 20% of the capital in each investment vehicle, although it owns an approximate 68.4% interest in THP1 US. On occasion, the Company will "warehouse" a direct investment on its balance sheet with the intention of selling the investment (at cost plus a preferred return) to a Tricon-managed investment vehicle upon its closing.

Through its investment in Houston-based Johnson, the Company has the ability to leverage an integrated development platform with expertise in land entitlement, infrastructure, municipal bond finance and place making, and deep relationships with public and regional homebuilders and commercial developers. Johnson is an active development manager of master planned communities in the United States and the only development manager in the United States to have four master planned communities ranked in the top 30 in 2016 (Source: Robert Charles Lesser & Co. Real Estate Advisors). Tricon uses Johnson's platform to (i) invest in cash flowing master planned communities that generate proceeds from lot sales, commercial pad sales and the issuance of municipal bonds, and (ii) earn development management fee income and sales commissions from the development and sale of residential lots and commercial land within the master planned communities that Johnson manages (regardless of whether they are owned by Tricon or managed on behalf of third-party investors), thereby enhancing its investment returns.

Tricon views land development and homebuilding as a three-step process that includes (i) rezoning and entitlement activity; (ii) installation of horizontal infrastructure, namely roads and utilities; and (iii) vertical construction of single-family and multi-family dwellings. In order to mitigate risk, our preference is to generally participate in the second and third phases, although we will invest at earlier stages when base zoning is in place or approvals are only administrative in nature. Given that the business plan for a given project requires the developer/builder to add value through planning, development and construction work, we typically underwrite our investments to achieve 20% annual compounded returns, recognizing that there may be some adjustments needed along the way.

Tricon believes that the best risk-adjusted investment opportunities for land and homebuilding are currently available in the United States, particularly in the Sunbelt and adjacent states in which it is currently invested. These markets continue to show above average population and job growth and therefore are expected to require a significant amount of new homebuilding activity to meet demographic demand. Tricon Housing Partners currently has investments in nine major markets across the United States (Northern and Southern California; Phoenix, Arizona; Southeastern Florida; Atlanta, Georgia; Charlotte, North Carolina; Houston, Austin and Dallas, Texas) and four major markets in Canada (Greater Vancouver Area, Calgary, Edmonton and Toronto).

Portfolio Overview

Additional details of the Tricon Housing Partners portfolio as of December 31, 2016, by geographic region, are set out in the table below.

	Total Units					Total Units Sold				
As of December 31, 2016[1]	Land (acres)	Single-Family Lots	Homes (Units)	Multi-Family Units	Retail (sq. ft.)	Land (acres)	Single-Family Lots	Homes (Units)	Multi-Family Units	Retail (sq. ft.)
U.S.										
Atlanta, Georgia	-	243	864	69	8,998	-	-	551	69	8,998
Austin, Texas	-	-	-	415	-	-	-	-	122	-
Charlotte, North Carolina	12	123	1,082	-	-	12	123	227	-	-
Dallas, Texas	269	5,959	-	365	-	67	440	-	49	-
Houston, Texas	684	9,148	-	-	-	228	2,187	-	-	-
Northern California	-	1,194	472	635	23,375	-	951	461	495	23,375
Phoenix, Arizona	112	6,047	2,511	-	-	-	1,053	673	-	-
Southeastern Florida	-	-	653	-	-	-	-	653	-	-
Southern California	-	2,101	315	72	9,202	-	16	315	31	-
Total U.S.	**1,077**	**24,815**	**5,897**	**1,556**	**41,575**	**307**	**4,770**	**2,880**	**766**	**32,373**
Canada										
Calgary, Alberta	95	2,416	761	981	44,500	45	1,078	486	437	-
Edmonton, Alberta	190	1,432	-	-	-	128	1,140	-	-	-
Toronto, Ontario	-	-	-	3,570	72,299	-	-	-	3,543	72,299
Vancouver, British Columbia	-	-	-	1,188	102,721	-	-	-	1,027	102,721
Total Canada	**285**	**3,848**	**761**	**5,739**	**219,520**	**173**	**2,218**	**486**	**5,007**	**175,020**
Total	**1,362**	**28,663**	**6,658**	**7,295**	**261,095**	**480**	**6,988**	**3,366**	**5,773**	**207,393**

1. Information represents land and homebuilding investments made by all Active Investment Vehicles. "Total Units Sold" are since the inception of each Active Investment Vehicle. "Total Units" figures do not represent "standing" inventory; rather, in many cases, they represent units that will be released over time in accordance with project business plans to meet ongoing demand.

Our Process

Tricon takes a hands-on approach to managing and overseeing its investments in land and homebuilding projects. In our underwriting process, proposed development projects generally need to meet certain pre-conditions or criteria before they are considered, including: the nature of the underlying real estate, the calibre of the developer partners, local market conditions, investment size and time period, projected returns, and availability of any required project-level financing. Investments are subject to extensive due diligence reviews. Following consideration and underwriting, all investments must be approved by Tricon's Investment Committee.

Tricon then remains actively involved in monitoring its investments with its housing partners. For example, we typically approve or have input for any particular real estate development project with respect to: plans and specifications; the business plan and project budget; the selection and/or replacement of the construction manager, the development manager and the marketing team for the project, and the terms and conditions of their respective employment or engagement contracts; the selection and approval of other consultants, professional advisors, contractors and major subcontractors, and the terms and conditions of their employment or engagement; the terms and conditions of any financing for the project; the terms and conditions on which residential units are to be offered for sale; the terms and conditions of any development, financial or other similar agreements to be entered into with governmental authorities; the sale of the project; any non-arm's length or material arm's length contracts; and the timing of the project, both from a marketing and a construction commencement perspective.

Tricon American Homes

Tricon's single-family rental home vertical, TAH, has an integrated operating platform responsible for the acquisition, renovation, leasing, ongoing maintenance and property management of single-family rental homes within major U.S. cities (predominantly in the U.S. Sunbelt) that exhibit strong levels of employment and population growth.

TAH's investment objective is to generate a recurring cash flow stream from its portfolio of single-family rental homes and capture home price appreciation within attractive U.S. housing markets. TAH adheres to specific investment criteria for each of its target markets and has local on-the-ground staff who are responsible for underwriting, acquiring and overseeing the renovation of single-family rental homes. Homes are acquired through multiple sourcing channels, including the MLS, trustee sales and foreclosures and selective portfolio acquisitions.

On February 27, 2017, Tricon announced that it had entered into an agreement to acquire Silver Bay Realty Trust Corp. The Acquisition will position TAH as the fourth largest publicly-owned single-family rental company in the U.S. Refer to the Recent Prospectus for further details regarding the Acquisition. See also "General Development of the Business – Proposed Acquisition of Silver Bay".

TAH is focused on providing high-quality rental homes to the broad Middle Market demographic, which management defines as working class households earning between $50,000 and $95,000 per year, with stable jobs and who may face difficulties in buying a home for a variety of reasons. TAH offers these Middle Market families a compelling value proposition of living in a high-quality, renovated home at a fixed monthly price without other costly overhead expenses such as maintenance and property taxes and with a high level of customer service. Targeting qualified Middle Market families, who are likely to be long-term renters, generally results in lower turnover rates, thereby reducing turn costs and providing stable cash flow for TAH.

TAH's leasing and management strategy seeks to optimize revenue by balancing occupancy and rental rates while reducing operating expenses. Management believes that a focus on the Middle Market segment together with an emphasis on identifying qualified residents up-front and reducing turnover by providing excellent customer service, maintenance, leasing and marketing operations, have been important in accomplishing these objectives.

TAH's primary geographic focus since its inception has been on the U.S. Sunbelt, a region which management believes possesses strong long-term housing fundamentals and outsized employment and population growth compared to the broader United States, which in turn typically translates to higher long-term home prices and rents. Management of TAH has a deep understanding of the local competitive environment and is a respected and efficient operator in the U.S. Sunbelt.

TAH is headquartered in California and is operationally distinct from the investment management activities of the Company, employing its own senior management and a staff of approximately 250 individuals who oversee and execute all aspects of TAH's day-to-day business activities and portfolio management, including single-family rental home acquisition, disposition, renovation, leasing and maintenance;

advertising; operation of a national call centre; maintenance of TAH's own website; and back-office functions, including all human resources, accounting and finance functions and reporting. Tricon's primary involvement in the TAH business is limited to providing advice and high-level management services regarding significant strategic matters or matters out of the ordinary course of TAH's activities.

Investment Approach and Parameters

TAH seeks to acquire U.S. single-family homes with purchase prices in the range of $100,000 to $175,000 per home and which generally possess the following preferred characteristics: 1,200 to 2,000 square feet; three bedrooms; two bathrooms; two-car parking; no major structural deficiencies; small backyard; located in stable neighbourhoods where residents primarily own and take pride in their homes and the external maintenance thereof. In addition to these general characteristics, acquisitions target certain specific investment criteria, including: minimum gross yields, age of home, geographic location, local school ratings and acquisition-related capital expenditures.

Although TAH may acquire a portfolio of homes with attractive pricing and opportunities to realize synergies (as it proposes to do through the Acquisition), TAH's purchases of single-family homes to date have largely been completed in smaller or one-off purchases. Once acquired, TAH anticipates investing approximately $5,000 to $30,000 on renovations and home improvements before renting the homes to tenants. Typical renovations include some or all of the following, as necessary: replacing carpets or refinishing flooring; replacing kitchen cabinetry; installing laminate or stone countertops; upgrading appliances; modernizing light fixtures; full interior/exterior repainting; replacing any aged plumbing or bathroom fixtures; and front yard and backyard landscaping. Where warranted, more extensive renovations such as roof or HVAC repairs will be undertaken.

TAH's growing institutional-quality portfolio may in time garner the interest of third-party investors, which interest could provide the Company with an opportunity to wholly or partially exit its investment strategy. The Company is targeting an exit from its investment in TAH within seven to ten years, which may take the form of a public offering of TAH or a sale to an institutional investor or fund.

Portfolio Overview

Additional details of TAH's single-family rental home portfolio, by geographic region, are set out in the following table.

Tricon American Homes – Portfolio Summary Statistics as of December 31, 2016

Geography	Total Homes Owned	Occupancy Rate(1)	Average Purchase Price per Home	Average Monthly Rent
Atlanta	1,062	91.9%	$ 85,000	$ 1,112
Charlotte	1,321	97.6%	74,000	1,020
Columbia	426	91.2%	90,000	1,032
Dallas	614	93.6%	125,000	1,269
Houston	820	94.6%	119,000	1,279
Indianapolis	353	94.6%	112,000	1,171
Las Vegas	295	99.3%	136,000	1,197
Northern California	631	99.2%	124,000	1,379
Phoenix	409	97.1%	115,000	1,082
Reno	251	98.0%	150,000	1,378
San Antonio	204	93.0%	93,000	1,192
Southeast Florida	600	95.4%	100,000	1,524
Southern California	279	99.3%	149,000	1,538
Tampa	500	96.2%	90,000	1,351
Total/Weighted Average	**7,765**	**95.6%**	**$ 104,000**	**$ 1,227**

1. The computation of the occupancy rate excludes 170 “inventory homes” being held for resale rather than rental.

Tricon Lifestyle Communities

Tricon Lifestyle Communities was launched in 2014 and has focused on acquiring and managing existing three- to four-star MHC in the Sunbelt, through a joint venture with its operating partner, Cobblestone, which is a vertically integrated asset and property manager with significant experience managing capital on behalf of institutions. Under the terms of the joint venture, TLC holds an approximate 99% interest in the MHC portfolio (with Cobblestone holding the remaining minority interest).

TLC has targeted well-located MHC that are initially deemed to be at least three- to four-star quality and potentially suffering from below market rents, occupancy and general market perception. Once an MHC is acquired, TLC typically invests in capital improvements intended to improve the “star” rating of the community and, as a result, increase rental rates. Typical renovations include some or all of the following, as necessary: upgrading signage, landscaping, road repair, enhancing front entrances and upgrading common amenities.

On February 27, 2017, Tricon announced that it will be pursuing an orderly exit from the TLC vertical after completing its existing value-add business plan. Management has made the decision to exit this vertical because of the current challenges it faces in building effective scale and the prospect of better return opportunities in the Company’s other investment verticals.

Properties

The following table provides a summary of TLC’s portfolio of properties as of December 31, 2016.

Tricon Lifestyle Communities – Portfolio Summary Statistics as of December 31, 2016

Property	Location	Residential sites	Occupancy	Acquisition price ($000)	Acquisition price per site	Average gross monthly rent per site
Longhaven	Phoenix, AZ	314	93.3%	$ 14,120	$ 44,968	$ 487
Skyhaven	Phoenix, AZ	192	96.4%	9,250	48,177	384
Springhaven	Phoenix, AZ	320	84.4%	14,975	46,797	348
Brookhaven	Phoenix, AZ	140	98.6%	4,375	31,250	214
Sunhaven	Phoenix, AZ	153	83.7%	5,650	36,928	281
Glenhaven	Phoenix, AZ	164	74.4%	4,910	29,939	419
Newhaven	Phoenix, AZ	111	82.0%	2,620	23,604	320
Parkhaven	Phoenix, AZ	455	69.9%	11,309	24,855	400
Rosehaven	Phoenix, AZ	411	74.2%	11,578	28,170	402
Sundowner	Phoenix, AZ	207	52.7%	3,833	18,517	368
Brighthaven	Phoenix, AZ	177	89.8%	8,800	49,718	476
Palmdale	Indio, CA	185	91.9%	9,339	50,481	517
Riverdale	Indio, CA	151	98.0%	11,409	75,556	454
Springdale	San Marcos, CA	85	98.8%	9,652	113,553	670
Total/Weighted average		**3,065**	**82.2%**	**$ 121,820**	**$ 39,746**	**$ 413**

<u>Tricon Luxury Residences</u>

Tricon Luxury Residences, which was launched in July 2015, is focused on investing in the development and management of Class A purpose-built rental apartments in targeted markets in Canada and the United States. TLR co-invests alongside local developers and institutional investors to create an income stream via its ownership stake and management role in the properties.

TLR is founded on a "build-to-core" strategy focused on assembling a portfolio of well-located, purpose-built multi-family rental properties which are near major job nodes and/or transit routes. TLR targets markets that are underpinned by strong economic fundamentals, including robust job and population growth. Tricon believes there is an opportunity to assemble a high-yielding, institutional-quality portfolio that will garner the interest of public markets and strategic investors once critical mass is achieved, and currently expects to realize on its investments within five to seven years from portfolio stabilization, though earlier realization may be achieved, as described below.

Tricon believes that the market fundamentals for multi-family rental are extremely attractive. TLR's key renter cohort of Millennials is expected to grow to 5.2 million (based on 2011 census data) in Canada by 2020 (Source*:* Statistics Canada*)*. Tricon believes the declining homeownership rates among Millennials (since 2004) will lead to strong rental demand as these young adults form new households.

While the overall investment thesis for TLR is consistent across markets, Tricon's future plans, and its current approach to executing the strategy and capitalizing the platform, differ in the U.S. and Canada, as described below.

TLR Canada

For Canadian projects, TLR expects to typically provide 15% to 20% of the project equity and intends to maintain this ownership stake in the projects. The remaining equity is provided by institutional investors that will pay management fees and possibly Performance Fees to Tricon.

TLR Canada is predominantly targeting development opportunities in Toronto, but it will also evaluate opportunities in other large cities across Canada.

Tricon has formed a wholly-owned subsidiary named Tricon Development Group Ltd. to act as a principal developer for all purpose-built rental buildings in Toronto. For projects outside of Toronto, TLR Canada intends to leverage its existing relationships to identify local partners to act as development managers for such projects. TDG retains experienced third-party construction managers to oversee the direct construction of all development projects.

TLR US

On February 27, 2017, Tricon announced that it will be pursuing an orderly exit from TLR's U.S. business by divesting its two current projects following completion of their development. Management has made this decision because the U.S. multi-family rental industry is currently experiencing a number of headwinds, including cost inflation as well as tighter financing conditions and, as a result, management believes there are better return opportunities in Tricon's other investment verticals. Tricon plans to retain the Canadian TLR business as a core investment.

In its existing U.S. investments (described below), TLR has partnered with StreetLights Residential ("**SLR**") which acts as a general partner and developer for TLR's current U.S. portfolio. SLR has developed a leading reputation across the industry due to its design-focused buildings and vertically integrated approach to development. TLR is participating as a limited partner in each investment and has provided 90% of the project equity, with the balance being invested by SLR.

Current Projects

In Canada, TLR closed its first investment in a development opportunity in 2015: a 50-storey, 516-unit tower known as "The Selby" situated at Bloor Street East and Sherbourne Street in downtown Toronto. Tricon partnered with a major Canadian pension plan to form a C$54.5 million separate account on an 85/15 basis (Investor/Tricon). This project is being co-developed by TDG and MOD Developments, a local third-party developer that has previously developed projects in which THP2 Canada and THP3 Canada have invested.

On February 18, 2016, TLR Canada closed its second development opportunity in downtown Toronto: a 36-storey tower located immediately south of King Street West on Spadina Avenue. Tricon partnered with a major Canadian pension plan to form a C$42.7 million separate account on an 80/20 basis (Investor/Tricon). The project is being co-developed by TDG and MOD Developments.

TLR Canada's most recent acquisition, Scrivener Square, is located in Rosedale/Summerhill, one of Toronto's most affluent residential communities. The project remains in the preliminary design and rezoning stage with a formal submission scheduled to occur in the second quarter of 2017. The development site is owned on a 50/50 basis with Diamond Corporation and is adjacent to The Shops of Summerhill, where TLR owns a 25% interest in a joint venture with RioCan REIT.

TLR closed on its two investments in the U.S. in late 2015, partnering with SLR in both projects for a total commitment of approximately $53 million on a 90/10 ownership basis (Tricon/SLR). The first development in Dallas, "The McKenzie", is a 22-storey building comprised of 180 units, situated on 1.3 acres of land adjacent to the exclusive Highland Park neighbourhood. The second development, "The Maxwell", is a series of four-storey buildings with approximately 325 units located in the fast-growing North Dallas submarket of Frisco.

Private Funds and Advisory – Investment Vehicles

In our Private Funds and Advisory Business, we manage third-party capital that we currently invest in land and homebuilding projects (see “Investment Verticals – Tricon Housing Partners”) and in the development of Class A purpose-built apartments in Canada (see “Investment Verticals – Tricon Luxury Residences”). Our revenues derived from these activities are described below (see “Our Revenues”).

Our private investors include plan sponsors, institutions, endowments, foundations and high net worth investors who seek exposure to the residential industry. In our Active Investment Vehicles, we have approximately 15 active institutional investors and we are currently ranked by Private Equity Real Estate as a top-50 global real estate asset manager.

Our active land and homebuilding investment vehicles include, as of December 31, 2016, five commingled funds, six separate accounts, three side-car investments and active syndicated investments. One additional land and homebuilding separate account, THP US SP2, was formed in March 2017. Also, as described above under “Investment Verticals – Tricon Luxury Residences”, beginning in 2015, the Company began to make investments through TLR in the development of Canadian Class A purpose-built apartments on a separate account basis with an institutional investor.

Each of the Company’s actively-managed investment vehicles is profiled briefly below.

THP1 US

A dedicated U.S. residential development fund, THP1 US had its final closing in January 2009 with committed capital of $332.8 million. THP1 US is fully invested. In conjunction with its local development partners, THP1 US provides financing for the acquisition of distressed U.S. residential real estate (primarily finished or partially finished lots and standing home inventory) at significant discounts from peak pricing and typical replacement cost through the acquisition of deeply discounted bank notes and assets out of bankruptcy. The Company acquired an approximate 68.4% limited partnership interest in THP1 US in 2013. The assets in THP1 US are projected to generate material cash flows over the course of the next few years as properties are further developed and sold.

THP2 US

THP2 US is a dedicated U.S. residential real estate fund established as a successor to THP1 US to take advantage of distressed residential investment opportunities arising out of the 2007-2009 U.S. housing recession and related credit crisis. THP2 US had its final close in December 2013 with approximately $334 million of fund commitments. The fund’s investments are primarily focused on Northern and Southern California; Phoenix, Arizona; South Florida; Dallas and Houston, Texas; and Atlanta, Georgia.

THP1 Canada

THP1 Canada was formed to provide financing for Canadian residential real estate development projects. THP1 Canada had its final closing in December 2005 and had total committed capital of approximately C$100 million. THP1 Canada is fully invested in projects in Toronto, Edmonton and Vancouver.

THP2 Canada

A dedicated Canadian fund which had its final closing in April 2009, THP2 Canada was capitalized with approximately C$85 million. THP2 Canada is fully invested in projects in Toronto and Alberta.

THP3 Canada

THP3 Canada is a dedicated Canadian fund that had its final closing in early 2012 with total commitments of approximately C$196 million. THP3 Canada is fully invested primarily in multi-family construction and land development projects in selected urban markets in Canada.

Cross Creek Ranch Separate Account

Cross Creek Ranch is a $144 million separate account formed in 2012 to invest in the acquisition and development of the Cross Creek Ranch master planned community located just southwest of Houston, Texas. Cross Creek is an active 3,200-acre master planned community with 4,775 residential lots expected to be sold to builders as well as 238.4 acres of commercial land expected to be marketed for sale to commercial developers. Tricon has committed approximately 10% of the required capital for the separate account with the balance being committed by an institutional partner. The property is being developed by Johnson.

Grand Central Park Separate Account

Grand Central Park (formerly Grand Lakes) is an $80.8 million separate account formed in 2013 to support the acquisition and development of approximately 2,100 acres of prime land into a large mixed-use master planned community in the city of Conroe (Houston MSA), Texas. Tricon has committed approximately 10% of the required capital for the separate account with the balance being committed by an institutional partner. The property is being developed by Johnson.

Fulshear Farms Separate Account

Fulshear Farms is a $50 million separate account formed in 2013 to acquire and develop approximately 1,250 acres of prime land suitable for the development of a large master planned community in Houston, Texas. The property is located just west of Cross Creek Ranch. Tricon has committed approximately 10% of the required capital for the transaction with the remainder being committed by an institutional partner. The property is being developed by Johnson.

Vistancia West Side-Car Investment

Vistancia West is a $67.5 million investment made in 2013 to support the acquisition and development of 358 acres of land in Phoenix, Arizona as an age-targeted, resort-style community. THP2 US committed $18.0 million to the investment with the remaining $49.5 million commitment being funded 90% by an institutional investor and 10% by Tricon. The property is being developed by Trilogy Active Lifestyle Communities.

Arantine Hills Side-Car Investment

Arantine Hills is a $142.5 million investment announced in 2014 to support the acquisition of a fully entitled, large scale, infill residential master planned community located in Corona, California and the subsequent development and sale of partially finished lots thereon to public homebuilders. $114 million has been committed to the investment to date, with THP2 US committing $28 million and the remaining $86 million being committed 90% by an institutional investor and 10% by Tricon.

Trilogy-Verde River Separate Account

Trilogy-Verde River is a $103.5 million separate account formed in 2014 to support the acquisition, development and sale of 1,079 homes in an age-targeted, resort-style community located on the border of North Scottsdale in Phoenix, Arizona. Tricon has committed approximately 10% of the required capital for the transaction with the remainder being committed by an institutional partner. The property is being developed by Trilogy Active Lifestyle Communities.

Lake Norman Side-Car Investment

Lake Norman is a $59.0 million investment made in 2014 to support the acquisition, development and sale of approximately 1,200 homes in an age-targeted, resort-style community located in northwest Charlotte, North Carolina. THP2 US committed $15.7 million of the required capital for the investment with the remaining $43.3 million commitment being funded 90% by an institutional investor and 10% by Tricon. The property is being developed by Trilogy Active Lifestyle Communities.

Viridian Separate Account

Viridian is an approximately $141 million separate account formed in 2015 to support the acquisition and development of an existing 2,083-acre master planned community in Dallas–Fort Worth, Texas. Tricon has committed approximately 18% of the required capital for the investment with the balance being committed by an institutional partner. The property is being developed by Johnson.

Tricon Housing Partners US Syndicated Pool 1

THP US SP1 is a $31.7 million separate account formed in June 2016 as two THP investments were syndicated to a third-party investor. The portfolio comprises: (i) 490 El Camino, a fully-entitled 73-unit / 4,900-square-foot retail development project in the town of Belmont, California located at the northern end of Silicon Valley, and (ii) Queen Creek & Ellsworth, a 120-acre land development project located in the town of Queen Creek in metro Phoenix's Southeast Valley. Tricon has committed approximately 20% of the required capital for the investments with the remainder being committed by its partner.

Tricon Housing Partners US Syndicated Pool 2

THP US SP2 is a $28.8 million separate account formed in March 2017 to support the acquisition and development of a 320-acre land parcel located in Queen Creek, Arizona. Tricon has committed approximately 20% of the required capital for the investment with the remainder being committed by its partner.

Canadian Syndicated Investments

The Company has three active Canadian syndicated investments (Five St. Joseph, Heritage Valley and Mahogany) that have co-invested alongside its three active Canadian commingled funds. The total third-party capitalization of these investments is approximately C$45 million.

TLR Canada Separate Accounts

The Company has closed three TLR Canada investments (see "Investment Verticals – Tricon Luxury Residences – Current Projects") with approximately $139 million of total third-party Assets Under Management.

Active Investment Vehicles – Third-Party Investments as of December 31, 2016

(in thousands of U.S. dollars)	Outstanding invested capital (at cost)	Share of outstanding project debt	Unfunded equity commitment[1]	Third-party AUM
	A	B	C	A + B + C
THP1 US	$ 32,027	$ -	$ 5,231	$ 37,258
THP2 US	182,072	-	53,623	235,695
Separate accounts[2]	341,757	-	73,802	415,559
Side-cars[3]	135,715	-	25,201	160,916
THP1 Canada	719	-	-	719
THP2 Canada	21,273	-	1,050	22,323
THP3 Canada	77,061	-	23,579	100,640
Canadian syndicated investments[4]	20,236	-	5,069	25,305
Total – THP	**$ 810,860**	**$ -**	**$ 187,555**	**$ 998,415**
TLR Canada[5]	58,226	46,155	34,497	138,878
Total	**$ 869,086**	**$ 46,155**	**$ 222,052**	**$ 1,137,293**

1. Commitments to projects include guarantees made under loan agreements plus reserves. Project commitments can exceed total capitalization as a result of reinvestment rights.
2. Separate accounts include Cross Creek Ranch, Grand Central Park, Fulshear Farms, Trilogy at Verde River, Viridian and THP US SP1.
3. Side-cars include Arantine Hills, Trilogy Lake Norman and Trilogy at Vistancia West.
4. Canadian syndicated investments include Heritage Valley, 5 St. Joseph and Mahogany.
5. TLR Canada includes The Selby, 57 Spadina and Scrivener Square / Shops of Summerhill.

General Development of the Business

The general development of the Company's business over the past three fiscal years is summarized below.

Proposed Acquisition of Silver Bay

On February 27, 2017, Tricon announced that it had entered into an agreement to acquire Silver Bay Realty Trust Corp., a leading owner and operator of single-family rental homes in the United States, by way of an all-cash transaction valued at $21.50 per share of Silver Bay. The transaction has a total enterprise value of approximately $1.4 billion, comprised of the equity purchase price of approximately $820 million and approximately $600 million of Silver Bay debt (net of cash on hand) that will be refinanced in conjunction with the Acquisition. The Acquisition, which is expected to close by the end of the second quarter of 2017, is described in detail in the Recent Prospectus. Highlights of the transaction include:

- Transformational acquisition for Tricon that will create the fourth largest publicly-owned single-family rental company in the U.S., with a focus on the U.S. Sunbelt and the Middle Market

- Combination of two geographically complementary single-family rental portfolios is expected to unlock substantial operating benefits and efficiencies

- Provides a catalyst for Tricon's strategy to simplify its business model by focusing on scale and industry leadership in select housing verticals

The transaction is structured as a merger of a subsidiary of TAH and Silver Bay. Upon completion of the merger, Silver Bay shareholders will receive $21.50 in cash per Silver Bay share for each outstanding share of common stock held immediately prior to the closing of the merger.

The members of the board of directors of Silver Bay have unanimously approved the Acquisition and have entered into support agreements, agreeing to vote their shares in favour of the Acquisition, which is subject to the approval of Silver Bay shareholders and the satisfaction or waiver of other customary closing conditions.

To partially finance the Acquisition, the Company intends to use the net proceeds from two bought deal public offerings described under “Public Financing”, below, and in greater detail in the Recent Prospectus.

In addition, the Company has obtained a commitment from Royal Bank of Canada to increase its existing corporate revolving credit facility, conditional on the completion of the Acquisition, from $235 million to $350 million and expects to draw approximately $10 million on the facility to finance a portion of the Acquisition purchase price.

The balance of the Acquisition purchase price and amounts required to refinance Sliver Bay’s existing debt and pay transaction costs will be drawn on a new TAH warehouse credit facility. Tricon has obtained a commitment from Deutsche Bank AG and its affiliates for the new facility in an aggregate amount of approximately $1.2 billion.

Tricon Housing Partners

On July 20, 2016, THP completed an investment in a fully-entitled 1,700-acre existing master planned community located in the fast-growing North Dallas submarket of McKinney, Texas, referred to as Trinity Falls. The project was initially capitalized with a $74 million contribution from Tricon and in-place development financing. Trinity Falls will be developed by Johnson and is the fifth investment made by Tricon alongside Johnson. The business plan entails the continued development and sale of approximately 3,200 residential lots to homebuilders over the next ten years with the Company benefiting from in-place contractual lot sales revenues, development management fees through Johnson and asset management fees from the project.

In June 2016, Tricon syndicated two investments in THP US SP1 (see “Private Funds and Advisory – Investment Vehicles”).

Tricon made co-investment commitments to separate accounts and side-cars as described above under “Private Funds and Advisory – Investment Vehicles”.

Tricon American Homes

Since its launch in 2012, TAH has grown its portfolio of U.S. single-family rental homes to 7,765 homes in 14 markets across nine states as of December 31, 2016.

On February 27, 2017, the Company announced that it had entered into an agreement to acquire Silver Bay (see “Proposed Acquisition of Silver Bay”, above).

Beginning in the fourth quarter of 2016 and concluding in early 2017, TAH completed the acquisition of all of the minority interests in its real estate holdings and property management entity. TAH’s original operating partners previously owned an approximate 10% interest in the real estate holdings and a 45% interest in the property management business. The purchase price for 100% of the minority interest is approximately $71.5 million and is payable in cash over the twelve months following closing.

On October 25, 2016, TAH completed a $362.6 million securitization transaction, which involved the issuance and sale of six classes of fixed rate pass-through certificates that represent beneficial ownership interests in a loan (the "**2016 Securitized Loan**") secured by 3,439 single-family properties contributed from the TAH portfolio to a newly-formed special purpose entity owned by TAH. The 2016 Securitized Loan was originated with a 72% loan-to-value ratio. TAH used the net transaction proceeds to repay a significant portion of the amount then outstanding under the TAH credit facility (described below under "Material Contracts") and repatriated approximately $60 million to Tricon. On December 22, 2016, after the significant repayment, TAH reduced the size of its warehouse credit facility to $275.0 million.

The 2016 Securitized Loan, which is governed by a loan agreement (the "**2016 Securitized Loan Agreement**") has a five-year term to maturity and requires monthly payments of interest and comprises six fixed-rate components with interest rates ranging from 2.589% to 5.769%, resulting in a blended effective interest rate of 3.59%.

On May 12, 2015, TAH completed a $361.3 million securitization transaction, which involved the issuance and sale of six classes of single-family rental pass-through certificates that represent beneficial ownership interests in a loan (the "**2015 Securitized Loan**") secured by 3,505 single-family properties contributed from the TAH portfolio to a newly-formed special purpose entity owned by TAH. The 2015 Securitized Loan was originated with a 70% loan-to-value ratio and has a blended effective interest rate based on LIBOR plus a floating rate spread. TAH used the net transaction proceeds to repay a significant portion of the TAH credit facility (described below under "Material Contracts") and received $68.7 million (net of $6.9 million paid to non-controlling interests), of which $60 million was repatriated to Tricon with the remainder being reserved as working capital for TAH.

The 2015 Securitized Loan has an initial term of two years, with three 12-month extension options, resulting in a fully extended maturity date of May 9, 2020. The 2015 Securitized Loan, which is governed by a loan agreement (the "**2015 Securitized Loan Agreement**") requires monthly payments of interest and comprises six floating rate components computed based on one-month LIBOR for each interest period plus a fixed component spread ranging from 1.37% to 3.62%, resulting in a blended effective interest rate of LIBOR plus 1.96% with additional servicing fees. The interest rate is subject to a LIBOR cap due to a hedge instrument in place.

On April 15, 2015, TAH completed an approximately $150 million acquisition of a portfolio of 1,385 single-family rental homes situated in Texas, North Carolina and South Carolina from a U.S.-based private equity fund manager. The acquired portfolio provided significant geographic overlap with TAH's existing portfolio in Houston, San Antonio and Charlotte and gained TAH entry into two new markets in Dallas-Fort Worth, Texas and Columbia, South Carolina.

<u>Tricon Lifestyle Communities</u>

The Company launched its Tricon Lifestyle Communities vertical in April 2014. Tricon Lifestyle Communities has since acquired 14 MHC comprising 3,065 residential spaces in Arizona and California.

Tricon has announced that it will be pursuing an orderly exit from the TLC vertical after completing its existing value-add business plan (see "Principal Investment Verticals – Tricon Lifestyle Communities").

Further details concerning Tricon Lifestyle Communities, including the composition of its current portfolio, are set out above under "Principal Investment Verticals – Tricon Lifestyle Communities".

<u>Tricon Luxury Residences</u>

Tricon Luxury Residences was launched in July 2015. Further details concerning TLR, including its current properties, are set out above under "Principal Investment Verticals – Tricon Luxury Residences".

Tricon has announced that it will be pursuing an orderly exit from TLR's U.S. business by divesting its two current projects following completion of their development (see "Principal Investment Verticals – Tricon Luxury Residences").

Private Funds and Advisory

As detailed above under "Private Funds and Advisory – Investment Vehicles", a number of separate accounts (including, beginning in 2015, in connection with TLR investments) and other investment vehicles were closed over the past three fiscal years.

In April 2014, the Company completed an $18.5 million investment in Johnson. Through its 50.1% interest in Johnson, the Company earns fees in its Private Funds and Advisory business (See "Our Revenues – Private Funds and Advisory Revenues – Ancillary Fee Revenue").

Public Financing

On March 17, 2017, the Company completed the offering, on a bought deal basis, of 20,326,250 Subscription Receipts (including 2,651,250 Subscription Receipts issued pursuant to the exercise of underwriters' over-allotment options), each representing the right to receive one Common Share, at a price of C$9.90 per Subscription Receipt. The Subscription Receipts were issued pursuant to the Subscription Receipt Agreement and their terms are summarized in detail in the Recent Prospectus. Upon the closing of the Acquisition, each Subscription Receipt will entitle its holder to automatically receive, without payment of additional consideration, one Common Share. The net offering proceeds will be used, subject to the terms of the Subscription Receipts, to finance in part the Acquisition of Silver Bay.

On March 17, 2017, the Company also completed the offering, on a bought deal basis, of $172,500,000 aggregate principal amount of 5.75% extendible convertible unsecured debentures (the "**2022 Debentures**"), including $22,500,000 aggregate principal amount of 2022 Debentures issued pursuant to the exercise of underwriters' over-allotment options. The 2022 Debentures were issued pursuant to the 2022 Convertible Debenture Indenture and their terms are summarized in detail in the Recent Prospectus (see also "Description of Capital Structure – Convertible Debentures"). The net offering proceeds will be used, subject to the terms of the 2022 Debentures, to finance in part the Acquisition of Silver Bay.

On November 30, 2015, the Company completed the redemption of its then-outstanding 6.375% convertible unsecured subordinated debentures (see "Description of Capital Structure – Convertible Debentures").

On August 18, 2015, the Company completed the offering, on a bought deal basis, of 13,158,000 Common Shares at a price of C$11.40 per Common Share. The net offering proceeds were used to fund equity requirements in each of the Company's investment verticals and for general corporate purposes, including repayment of the then-outstanding balance under the Company's corporate revolving credit facility.

In August 2015, the Company launched the initial public offering of Tricon Investment Partners, which offering was subsequently withdrawn due to adverse market conditions.

Our Revenues

The Company earns revenues through its principal investments and through its Private Funds and Advisory Business. The business segment contribution to the Company's revenues over the past two fiscal years is detailed in the Company's financial statements and Management's Discussion and Analysis for the year ended December 31, 2016, available at www.sedar.com.

Investment Income

Tricon earns investment income from principal investments made in Tricon Housing Partners, Tricon American Homes, Tricon Lifestyle Communities and Tricon Luxury Residences, as described below.

Tricon Housing Partners

As a principal investor in Tricon Housing Partners, we generate investment income that is earned from: (i) direct co-investments in our investment vehicles; (ii) occasionally investing in warehoused investments that will be offered to new investment vehicles upon their formation; and (iii) investing directly in projects or partnerships other than those described in (i) and (ii). As a co-investor, the Company earns its *pro rata* share of investment income from the underlying investments.

Investment income is earned from THP's share of the changes in the net asset value ("**NAV**") of each of the investment vehicles in which it invests. The NAV of a THP investment vehicle is based on the net amount advanced to the respective investment plus net earnings of one or more of the following types:

- Investment income: Investment vehicles make investments through both joint venture equity investments and participating debt investments. With respect to joint venture investments, investment income is comprised of realized cash distributions received from each project and unrealized gains as a result of the changes in the fair value of the investment based on expected future net cash flows. Participating debt investments generate investment income comprised of interest earned at the stated rate of fixed interest as well as unrealized fair value gains in respect of the "participating" or "contingent" portion of the loans, which is also valued based on the fair value of expected future cash flows (in excess of loan principal and accrued interest). Any amount of cash distribution received in excess of loan principal and accrued interest will be recognized as realized interest income.

- Project-related fees: In the majority of its investments, an investment vehicle earns a combination of commitment/acquisition fees and asset management/loan maintenance fees from the respective project entity (e.g., a project-specific partnership entered into with the local developer). Commitment and acquisition fees are typically calculated on the basis of the investment vehicle's capital commitment and are payable upon closing of the investment. Asset management and loan maintenance fees are typically charged on the basis of the outstanding investment in a particular transaction at any given time and are typically paid quarterly over the life of the investment.

The reported fair value of the Company's THP investments is based on its ownership share of the net asset value in each investment vehicle in which it invests, which is typically determined using a discounted cash flow ("**DCF**") methodology. The DCF analysis involves modelling developers' cash flows to determine the quantum and timing of project funding requirements and cash distributions to the investment vehicle. Estimates of developers' cash flows are based on detailed quarterly and annual budgets and are required to determine the investment vehicle's eventual returns on its investments and, for participating debt investments, may include contingent interest if the developers' projects generate returns that exceed the underlying contractual interest.

The developer may redeploy project cash flows into subsequent project phases and only distribute excess cash to the investment vehicle over the life of the project. In determining the discount rate to be utilized, the risks associated with entitlement, sales and construction are taken into account. Entitlement risk relates to the ability to obtain the entitlements necessary to develop the underlying project as underwritten. Sales risk correlates to the ability to generate the projected underwritten revenues and the time required to do so. Construction risk relates to determining the costs associated with developing the project and, if required, obtaining financing. Upon project entitlement, the discount rate used is the lower of 20% and the expected return for the project. Such discount rate is periodically updated to reflect market conditions as well as the stage of the development project. The initial discount rate is then reduced by 2.5% as each of the following development milestones is achieved: commencement of sales, commencement of construction, and achieving 75% of project sales. Therefore, the discount rate is generally reduced as the various risks are mitigated over time.

The Company's valuation committee evaluates other risk factors impacting each project, including market risks and risks relating specifically to the development partner, and may adjust the discount rate to reflect these additional risks if the valuation committee believes there is uncertainty that the project will generate the expected returns.

Tricon American Homes

TAH investment income is comprised of realized rental income net of expenses from leasing single-family rental homes and investment income from changes in the fair value of single-family rental homes. The fair value of TAH homes is based on a Broker Price Opinion ("**BPO**") methodology supplemented by the Home Price Index ("**HPI**") methodology. TAH typically obtains a BPO for a home once every three years. Once a BPO is obtained, the fair value of the home is adjusted using the HPI on a quarterly basis until it is replaced by a more recent BPO. Refer to the Company's financial statements for the year ended December 31, 2016 for specific details of these valuation methodologies.

Tricon Lifestyle Communities

TLC investment income is comprised of realized rental income net of expenses from leasing pads within manufactured housing communities and investment income from changes in the fair value of the underlying properties in the communities in which it invests. Fair value changes are based on discounted cash flow methodology applied to the expected net cash flow from each property. Fair value gains are primarily as a result of operational improvements and capital expenditures incurred to enhance such communities, which are expected to increase rent levels and occupancy rates, and therefore cash flow over time.

Tricon Luxury Residences

TLR investment income is comprised of realized rental income net of expenses from leasing multi-family units and investment income derived from changes in the fair value of the projects in which it invests. Fair value changes are based on a discounted cash flow methodology. As TLR projects are still in the development phase, the discount rate is adjusted downwards as development and construction milestones (such as construction start, substantial construction completion and lease-up) are achieved and the project is de-risked, similar to the THP DCF methodology described above.

<u>Private Funds and Advisory Revenues</u>

The management of third-party capital through commingled funds, separate accounts, side-cars and syndicated investments currently produces three main revenue streams: Contractual Fees and General Partner Distributions, which are not contingent on the performance of the investment vehicle, and Performance Fees, as described below.

Contractual Fees

Contractual Fees are based on either the committed capital, or the invested capital, in our investment vehicles. During our commingled funds' investment periods (typically three to four years), third-party investors pay Contractual Fees ranging typically from 1% to 2% of committed capital per annum. Following the end of a fund's investment period, these fees are typically calculated as a percentage of the outstanding invested capital. Contractual Fees for separate accounts, side-cars and syndicated investments are based on outstanding invested capital. In all cases, Contractual Fees decline over time as investments are realized.

General Partner Distributions

General Partner Distributions are based on prescribed formulas within a commingled fund's limited partnership agreement and decline over time as investments are realized. They are not contingent on the fund's performance.

Performance Fees

Once targeted investment returns are achieved by an investment vehicle, the Company is entitled to earn Performance Fees. Performance Fees are calculated based on prescribed formulas within the contractual terms of an investment vehicle. These fees are earned following the repayment of investor capital and a predetermined rate of return and, as a result, are typically paid toward the end of the term of the investment vehicle. Performance Fees are typically calculated as 20% of net cash flow and are paid after investors' capital has been returned, together with a preferred return on capital of, typically, 9%. The Performance Fee formula may also contain a "catch-up" provision that enables the Company to earn a higher percentage of net cash flow as a Performance Fee until the ratio of the investor return (preferred return plus its share of net cash flow) to the Performance Fees paid to the Company is 80/20.

Given that Performance Fees are only earned once third-party investors have received the return of their committed capital plus a preferred return, our Performance Fees are back-ended and are typically only earned many years after the commencement of an investment vehicle and only if the vehicle achieves its target investment returns. Performance Fees in private investment vehicles are intended to reward strong performance over the long term and therefore align the interests of our private investors with those of Tricon and its shareholders.

Ancillary Fee Revenue

Through its investment in Johnson, the Company earns contractual development fee income and sales commissions from the development and sale of single-family lots, residential land parcels, and commercial land within the master planned communities that Johnson manages. Through TDG, the Company earns development management fees in connection with the services TDG performs in respect of TLR projects in Toronto. Johnson is a key developer of master planned community developments in which the Company invests through THP, and TDG's activities are focused exclusively on properties in which TLR invests. Accordingly, we view the fee income earned through both Johnson and TDG as a means of enhancing the Company's overall returns from investments in THP and TLR, respectively.

Senior Management Team

The strategic direction and leadership of Tricon is provided by a senior management team that has substantial expertise in all aspects of the Company's business. The Company believes that the quality and commitment of its management team is the most important factor in the Company's success. Biographies of the members of the senior management team as of the date of this AIF are set out below.

Gary Berman, President and Chief Executive Officer

Gary Berman was appointed President and Chief Executive Officer of Tricon in March 2015. He is responsible for Tricon's overall operations, including strategic planning, investment decisions, capital commitments, relationship management and private fundraising. Since joining Tricon in 2002, Mr. Berman has helped transform Tricon from a private provider of equity and mezzanine capital to the for-sale housing industry to a publicly listed company with multiple residential business lines. Under his leadership, Tricon has established itself as a diversified "housing brand" with a growing portfolio of investments in land and homebuilding assets, single-family rental homes, manufactured housing communities and multi-family development projects. Mr. Berman is a Director of Tricon and a member of the Company's Investment Committee and Executive Committee.

Mr. Berman is a Trustee of the Urban Land Institute and serves on the Board of Governors of the Corporation of Massey Hall and Roy Thomson Hall. He is the co-founder of the Pug Awards, an online awards and education-based charity that, over a decade, helped to increase architectural awareness and elevate planning and design standards in Toronto.

Mr. Berman received a Master of Business Administration degree from Harvard Business School, where he was designated a Baker Scholar, and a Bachelor of Commerce degree from McGill University, where he graduated first overall in the Faculty of Management.

David Berman, Co-Founder and Executive Chairman

David Berman has been involved in all phases of Tricon's development since co-founding the Company in 1988. He served as the Company's Chairman and Chief Executive Officer until March 2015, and since then has assumed the role of Executive Chairman. Mr. Berman is a member of the Company's Executive Committee and the Chair of its Investment Committee. He has over 40 years of experience in the real estate industry in the United States, Canada and abroad.

Mr. Berman began his career in North America in 1978 at what is now Citibank Canada where he was Vice President for real estate lending. In 1982, he joined First City Development Corporation as Vice President, with responsibility for real estate acquisitions and equity lending. Prior to co-founding Tricon, Mr. Berman acted as Executive Vice President for Lakeview Estates Limited, where he was responsible for land development and single-family homebuilding.

Mr. Berman is a director of The New Home Company, a company listed on the New York Stock Exchange, and a member of the real estate advisory board for the University of Toronto. Until recently, he held a similar position at the Fisher Center at the University of California, Berkeley. He is also a member of the board of directors of the Royal Conservatory of Music in Toronto.

Mr. Berman holds a Master of Business Administration degree (graduating with high distinction) and a Bachelor of Science degree from the University of the Witwatersrand in Johannesburg, South Africa.

Geoff Matus, Co-Founder and Director

Geoff Matus co-founded Tricon in 1988 and continues to provide consulting services to Tricon. He is a member of the Board of Directors, chairs the Executive Committee, is a member of Tricon's Investment Committee and is actively involved in strategic planning.

Mr. Matus, who has extensive business experience in the United States, Canada and abroad, is the chair and co-founder of Cidel, an international financial services group, and is also chairman and director of a number of other manufacturing and financial companies. He is a director of the MaRS Discovery District (where he is chair of the Real Estate Committee) and a past member of the board of the Governing Council of the University of Toronto (where he currently chairs the Pension and Endowment Investment Advisory Committee and the Real Estate Committee). He is an honorary director and past chair of the board of directors of the Baycrest Centre for Geriatric Care and a past member of the boards of Mount Sinai Hospital and the Canadian Opera Company. Mr. Matus has founded several other companies and remains a director of some of them.

In 2005, Mr. Matus was a recipient of the Jewish Federation award for outstanding service to his community. In 2010 he received the Arbor Award for outstanding service to the University of Toronto and in 2011 he was honoured as a "Man of Distinction" by the Israel Cancer Research Fund.

Mr. Matus holds Bachelor of Commerce and Law degrees from the University of the Witwatersrand in Johannesburg, South Africa, and received a Master of Laws degree from Columbia University in New York.

Wissam Francis, Chief Financial Officer

Wissam Francis was appointed Chief Financial Officer of the Company in August 2015. Mr. Francis oversees all aspects of Tricon's financial management including financial reporting and analysis, treasury, capital market strategies, investor relations, information technology, internal audit and tax functions.

Mr. Francis has extensive experience in financial reporting, capital markets, mergers and acquisitions, corporate finance, and strategy formulation, with over 15 years of experience in real estate, and has been actively involved in various projects and sectors, including residential, retail, industrial, office, mixed-use and development projects. Prior to joining Tricon in 2014, Mr. Francis was a senior member of Ernst & Young's Transaction Real Estate advisory practice. Prior to that, he was the Director of Finance and Acquisitions at First Capital Realty.

Mr. Francis has a CPA, CMA designation and holds a Master of Business Administration degree from Wilfrid Laurier University, a Master of Arts degree in Economics from the University of Waterloo, and a Bachelor of Arts degree in Finance and an Honours Degree in Economics from the University of Western Ontario.

Douglas P. Quesnel, Chief Accounting Officer

Doug Quesnel is responsible for all aspects of Tricon's financial management, including external public reporting, private funds and advisory reporting and investment fund administration.

Prior to joining Tricon in 2014, Mr. Quesnel served in senior executive roles with Dream Unlimited, including Chief Accounting Officer and Chief Financial Officer of Dream Global REIT, and Chief Financial Officer of Dream Unlimited Corp., where he was responsible for business planning and analysis, investor relations, financial reporting, debt and equity financing and tax planning.

Mr. Quesnel has a CPA, CA designation and holds a Graduate Diploma in Public Accountancy from McGill University and a Bachelor of Commerce degree from Concordia University.

Jonathan Ellenzweig, Managing Director

Jonathan Ellenzweig is the Co-Head of Tricon Housing Partners and is responsible for designing and implementing investment strategy, managing senior relationships with developers and investors, sourcing transactions and overseeing a dedicated team responsible for deal execution and asset management. Mr. Ellenzweig is also responsible for the Company's investment in Tricon American Homes and provides ongoing strategic support to that vertical. Since joining Tricon in 2005, Mr. Ellenzweig has been an integral part of many of the Company's defining strategic initiatives, including Tricon's initial public offering in 2010 and the launch of TAH in 2012. Mr. Ellenzweig is also responsible for managing Tricon's San Francisco office, which he helped to establish in 2013.

Prior to joining Tricon, Mr. Ellenzweig worked in investment banking in New York and Toronto for Citigroup Global Markets, where he was a member of the coverage and transaction execution teams for financial services and media/telecom companies. He currently serves as a member of the Policy Advisory Board for the Fisher Center for Real Estate and Urban Economics at the University of California, Berkeley, is a member of the Residential Neighborhood Development Council of the Urban Land Institute and serves on the Board of Directors of the Lark Theater, a non-profit single-screen community film center in Marin County, California.

Mr. Ellenzweig holds an Honours Bachelor of Commerce degree from Queen's University, where he was awarded First Class Honours.

Craig Mode, Managing Director

Craig Mode is the Co-Head of Tricon Housing Partners and is responsible for designing and implementing investment strategy, managing senior relationships with developers and investors, sourcing transactions and overseeing a dedicated team responsible for deal execution and asset management. Mr. Mode also oversees the administration and management of the investment team in Tricon's Toronto office.

Prior to joining Tricon in 2007, Mr. Mode was an acquisitions analyst with DLJ Real Estate Capital Partners, the real estate private equity division of Credit Suisse Group, in Los Angeles, California and also worked with Haywood Securities Inc. as an investment banking analyst in Toronto. He is currently a member of the Community Development Council of the Urban Land Institute and also serves on the real estate committee of the MaRS Discovery District in Toronto.

Mr. Mode holds an Honours Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario, where he graduated with Distinction.

Evelyne Dubé, Managing Director

Evelyne Dubé is a Managing Director at Tricon focused on business development and private capital fundraising.

Prior to joining Tricon in 2017, Ms. Dubé spent 15 years in London, UK, where she held senior business development positions at private equity real estate managers Forum Global Partners, Apollo Management/Citi Property Investors, and Curzon Global Partners/AEW Europe. She also previously held corporate finance advisory roles at KPMG Corporate Finance in London and Montreal. She currently serves as a board member of the Academy of St Martin in the Fields in London, UK.

Ms. Dubé holds a Masters in Business Administration degree from HEC-Montréal and a Bachelor of Laws degree from Université de Montréal. She has also studied at the London Business School in the UK and is a member of the Bar of Quebec, Canada.

David Veneziano, Vice President and General Counsel

David Veneziano is responsible for managing all legal and governance matters relating to Tricon. Mr. Veneziano advises on legal issues relating to all aspects of the Company's investments and asset management, corporate structuring and finance, compliance and corporate governance. He is also Tricon's Corporate Secretary and Chief Compliance Officer.

Prior to joining Tricon in 2014, Mr. Veneziano served as Vice President and General Counsel of Leisureworld Senior Care Corporation (now Sienna Senior Living), where he was responsible for all legal and governance matters relating to the company. Prior to joining Leisureworld, Mr. Veneziano practiced law at Goodmans LLP, where he advised a wide array of public and private enterprises in matters relating to tax, mergers and acquisitions, corporate finance, compliance and restructuring.

Mr. Veneziano is a graduate of the University of Toronto Law School and holds a Bachelor of Science (Honours) degree in Human Biology and Bioethics from the University of Toronto, where he graduated with High Distinction.

Jeremy Scheetz, Director

Jeremy Scheetz is responsible for sourcing and underwriting new Land and Homebuilding investments for Tricon and for managing existing investments within the THP portfolio.

Prior to joining Tricon in 2003, Mr. Scheetz worked as a senior account manager for HSBC Bank Canada where he was responsible for sourcing, underwriting and managing various residential construction loans in the homebuilding and condominium sectors. He is currently a member of the Community Development Council of the Urban Land Institute and previously served as a board member of The New Home Company, California-based home builder and land developer that is listed on the New York Stock Exchange.

Mr. Scheetz received a Master of Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario and an Honours Bachelor of Commerce degree from Queen's University.

Andrew Joyner, Director

Andrew Joyner is responsible for managing Tricon Luxury Residences Canada, including overseeing the investment activities in that vertical, including transaction sourcing, providing oversight for Tricon Development Group, investor reporting, and overall asset management. In addition, Mr. Joyner is overseeing the divestiture of the Company's investments in Tricon Luxury Residences U.S. and Tricon Lifestyle Communities.

Prior to joining Tricon in 2016, Mr. Joyner was a portfolio manager in the real estate investments group at CPP Investment Board in Toronto, and also worked as an acquisitions associate at Hines in London, and as an investment banking associate at Goldman Sachs in New York.

Mr. Joyner holds a Master of Business Administration degree from Columbia University, an undergraduate degree in Economics from Queen's University, both of which he graduated from with Distinction, and is a CFA Charterholder.

Sandra Pereira, Senior Vice President, Head of Tax Services

Sandra Pereira is responsible for the Company's global tax function, including strategy, planning, reporting, governance, and compliance tax matters. Ms. Pereira has over 20 years of experience in international tax, structured transactions, capital markets, derivative products, acquisitions and divestitures.

Prior to joining Tricon in 2014, Ms. Pereira was a Tax Partner at the Toronto office of Deloitte Canada where she led the post-merger integration practice in Canada. She was responsible for advising global clients on operational tax issues such as improving tax governance, transforming the tax function, and optimizing the tax benefits of business synergies arising from strategic acquisitions. Ms. Pereira was previously a Tax Director at GE Capital Canada and, over her 15 years at GE, led numerous acquisitions and corporate initiatives. She is currently a Board member of the Trillium Health Partners Volunteer Board.

Ms. Pereira has a CPA, CA designation and holds a Bachelor of Commerce degree from the University of Toronto (where she was a gold medallist). She has completed the leadership training program at GE's John F. Welch Leadership Development Center in New York and was an Adjunct Professor in the University of Toronto Masters of Tax program.

Employees

As of December 31, 2016, Tricon had 58 employees at its offices in Toronto, Ontario and San Francisco, California. Tricon American Homes employs approximately 250 individuals, primarily located in California. Johnson Companies LP and its subsidiaries employ approximately 100 individuals.

RISK FACTORS

There are certain risks inherent in the Company's activities and those of its investees, including the ones described below, which may impact the Company's performance, the value of its investments and the value of its securities. The risks described below are not the only ones facing the Company and holders of Common Shares. Additional risks not currently known to us or that we currently consider to be immaterial may also affect our activities and those of our investees.

General Risks

The following risks may affect the Company as a whole and may be relevant to the activities of its investees across all of its investment verticals.

General Economic Conditions

The success of our business is highly dependent upon conditions in the Canadian and United States real estate markets (and in particular the residential sector) and economic conditions throughout North America that are outside our control and difficult to predict. Factors such as interest rates, housing prices, availability of credit, inflation rates, energy prices, economic uncertainty, changes in laws (including laws relating to taxation), trade barriers, currency exchange rates and controls, and national and international political circumstances (including wars, terrorist acts or security operations) could have a material negative impact on the value of our investments and our financial performance.

Unpredictable or unstable market conditions, adverse economic conditions, or volatility in the capital markets may result in reduced opportunities to find suitable risk-adjusted investments to deploy capital, may reduce the market value of our Assets Under Management, and may make it more difficult for the Company and its investment vehicles to exit and realize value from existing real estate investments, any of which could materially adversely affect our revenues, the value of our investments, and our ability to raise and deploy new capital and sustain our profitability and growth.

Real Estate Industry Conditions

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 ability to rent or sell residential properties, depress prices and reduce margins from the rental and sale of residential properties. Conversely, if property prices in target markets increase at a rate faster than rents, this could result in downward pressure on gross rental yields and impact the ability to make acquisitions. Any of these factors could negatively impact the value of the Company's investments and its financial performance.

Builders, developers and renovators are also subject to risks related to the availability and cost of materials and labour, and adverse weather conditions that can cause delays in construction schedules and cost overruns. Furthermore, the market value of undeveloped land, buildable lots and housing inventories can fluctuate significantly as a result of changing economic and real estate market conditions and may result in impairment charges. If there are significant adverse changes in economic or real estate market conditions, residential properties may have to be sold at a loss, rented at less than expected rates, or held longer than planned. These circumstances can result in losses in a poorly performing investment or market. If market conditions deteriorate, some of the Company's investments may be subject to impairments and write-off charges, adversely affecting the Company's financial results.

Portfolio Concentration

Although our investments span numerous markets across North America, real estate is a local business, and our revenues are directly and indirectly derived from investments in residential real estate located in our primary geographic markets. A prolonged downturn in the economies of these markets, or the impact that a downturn in the overall national economies of Canada or the United States may have upon these markets, could negatively impact the value of our investments and our financial performance.

Furthermore, because we primarily invest in residential real estate (as compared to a more diversified real estate portfolio), a decrease in demand specifically for residential real estate could adversely affect the value of our investments and our financial performance.

Competition

The real estate investment business is competitive and each segment of our business is subject to competition in varying degrees. We compete on the basis of a number of factors, including, but not limited to, the quality of our employees, transaction execution, innovation and reputation. We compete in pursuit of investor capital to be invested in our securities and investment vehicles and also in acquiring investments in attractive assets. Competition for investor capital, in particular, is intense and investors are increasingly seeking to manage their own assets or reduce their management fees. Further, our competitors may have certain competitive advantages, including greater financial, technical, marketing and other resources, more personnel, less onerous regulatory requirements or a lower cost of capital, and access to funding sources or other resources that are not available to us. These pressures, or an increase in competition, could result in downward pressure on revenues, which could, in turn, reduce operating margins and thereby reduce operating cash flows and investment returns, and negatively affect our overall financial condition.

Furthermore, competition may affect the performance of investments in our investment verticals. Numerous developers, managers and owners of properties compete with the Company's investees in seeking attractive tenants and home purchasers. This competition could have an impact on the performance of the Company's investments. Furthermore, there is significant competition for suitable real property investments, with other investors seeking similar investments to those targeted by the Company and its investees. A number of these investors may have greater financial resources than those of the Company, or operate without the same investment or operating restrictions. An increase in competition for real property investments may increase purchase prices, diminish the number of suitable investments available, and reduce the ability to achieve optimal portfolio size or expected yields, which could impact the Company's investments and financial performance.

The residential homebuilding, renovation and rental industries are themselves highly competitive. Residential homebuilders, renovators and operators compete not only for homebuyers and/or tenants on the basis of price and product offering, but also for desirable properties, building materials, labour and capital. Competitive conditions in the industry could result in: difficulty in acquiring suitable properties at acceptable prices; increased selling or rental incentives; lower sales volumes and prices; higher vacancy, lower profit margins; impairments in the value of inventory and other assets; increased construction costs; and delays in construction. These factors may negatively impact the Company's investments and financial performance.

Investment Pipeline

An important component of residential real estate investment performance is the ongoing availability of attractive investment opportunities. If we are not able to find sufficient residential real estate investments in a timely manner, our investment performance could be adversely affected. Furthermore, if we do not have sufficient investment opportunities, we may elect to limit our growth and reduce the rate at which we attract third-party capital, which could impact our Assets Under Management and revenues. Finally, a scarcity of desirable investment opportunities may lead us to make investments with lower expected returns than those we have historically targeted. Any of these factors could negatively impact our financial condition.

Long Investment Periods

The investment horizons in each of our principal investment verticals is relatively long (see "Description of the Business – Investment Verticals"). These extended timelines increase the risk that circumstances will arise which delay investment realization, and that markets may deteriorate between the time of our initial investment and our exit. This may be the result of many factors that present themselves over the duration of an investment, including local and overall market and economic conditions, increasing competition over time, market value fluctuation and changing interest rates. Delays or market deterioration over time could have an adverse effect on the returns from our investments, our fee revenue, and our financial condition.

Liquidity Risk

Residential real estate investments generally cannot be sold quickly, particularly if local market conditions are poor. As a result, the Company and its investees may not be able to enter, exit or modify investments promptly in response to economic or other conditions. This inability to promptly reallocate capital or exit the market in a timely manner could adversely affect the Company's financial results and investment performance. Additionally, financial difficulties of other property owners resulting in distressed sales could depress real estate values in the markets in which we invest. These restrictions could reduce our ability to respond to changes in the performance of our investments and could adversely affect our financial condition and results.

Transaction Execution

Before making investments, we conduct extensive due diligence reviews that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Our due diligence process includes in-depth reference checks of developers (where applicable), environmental audits, market analysis, site analysis, financial and construction cost analysis and legal review. When conducting due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, we rely on the resources available to us, including information provided by the developer or operating partner (where applicable) and, in some circumstances, third-party investigations. The due diligence investigation that we carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. Unknown factors or unforeseen risks may cause investment performance to fall short of expectation and may negatively impact the value of our investments and our financial performance.

Rising Interest Rates

Rising interest rates, decreased availability of mortgage financing or of certain mortgage programs, higher down payment requirements or increased monthly mortgage costs may increase the cost of capital for the Company and its investees, and may lead to reduced demand for new home sales and resales and mortgage loans, which could have a material adverse effect on the value of our investments, our investment prospects, liquidity and financial performance.

Sustaining Growth

Our continuing growth has caused, and if it continues will continue to cause, significant demands on our legal, accounting and operational infrastructure, and increased expenses. In addition, we are required to continuously develop our systems and infrastructure in response to the increasing sophistication of the residential real estate investment industry, the investment management market, and legal, accounting and regulatory developments.

Our future growth will depend, among other things, on our ability to maintain an operating platform and management systems sufficient to address our growth, and will require us to incur additional expenses and to commit additional senior management and operational resources. There can be no assurance that we will be able to manage our expanding operations effectively or that we will be able to continue to grow, and any failure to do so could adversely affect our ability to generate revenue and control our expenses.

Insurance

We have various types of insurance, including errors and omissions insurance and general commercial liability insurance. Also, relevant insurance is arranged through our investment verticals in order to protect the value of the underlying investments. The adequacy of insurance coverage is evaluated on an ongoing basis, including the cost relative to the benefits. However, there can be no assurance that potential claims or losses will not exceed the limits, or fall outside the scope, of available insurance coverage or that any claim or claims will be ultimately satisfied by an insurer. A loss or judgment in excess of available insurance or in respect of which insurance is not available could have a material adverse effect on our financial condition and the value of our investments. There can be no assurance that insurance coverage on favourable economic terms will continue to be available in the future.

Environmental Risk

Underlying all of our activities is investment in real property that is subject to various Canadian and United States federal, provincial, state and municipal laws relating to environmental matters. These laws could hold developers or property owners liable for the costs of removal and remediation of certain hazardous substances or wastes released or deposited on properties or disposed of at other locations. The failure to remove or remediate such substances, if any, could adversely affect the developer's or owner's ability to sell the properties or to borrow using real estate as collateral, and could potentially result in claims or other proceedings. We are not aware of any material non-compliance with environmental laws in respect of our investments or by the developers in which our investment vehicles invest. We are also not aware of any material pending or threatened investigations or actions by environmental regulatory authorities, or any material pending or threatened claims relating to environmental conditions, in connection with any of the residential real estate in which we or our investment vehicles invest. Environmental laws and regulations can change rapidly and may impose more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on a developer or a particular development project or our own investments, which, in turn, could have an adverse effect on our financial condition and investment performance.

Conflicts of Interest

Some of the parties in which and with which we currently invest may have competing interests in the markets in which Tricon invests. While the Company takes precautions and negotiates contractual restrictions in definitive legal documentation in order to avoid such conflicts, conflicts of interest may nonetheless arise and may have an adverse effect on the Company's financial performance and the value of our investments.

Certain of the directors and officers of the Company may also serve as directors and/or officers of other companies and consequently the possibility exists for such directors and officers to be in a position of conflict. Any decision made by any such director or officer involving the Company is to be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company, but there can be no assurance that a conflict of interest will not have an adverse effect on the Company or its financial condition.

Management Team

Our executive officers and other senior management have a significant role in our success and oversee the execution of our strategy. Our continued ability to respond promptly to opportunities and challenges as they arise depends on co-operation across our organization and our team-oriented management structure, which benefits greatly from management continuity. Our ability to retain our management group or attract suitable replacements, should any members of the management group leave, is dependent on, among other things, the competitive nature of the employment market and the career opportunities that we can offer. Ensuring that we continue to pay market compensation in order to retain key professionals may lead to increasing costs. We have experienced departures of key professionals in the past and may do so in the future, and we cannot predict the impact that any such departures will have on our ability to achieve our objectives. Competition for the best people is intense and the loss of services from key members of the management group or a limitation in their availability could adversely impact our financial performance. Furthermore, such a loss could be negatively perceived in the capital markets.

Government Regulation

The Company's activities and those of its investees are subject to numerous regulations across various jurisdictions in North America. Changes in legislation and regulation could result in increased costs and increased risk of non-compliance, which could adversely affect the Company's financial condition and the value of its investments.

Certain jurisdictions have enacted residential tenancy legislation which imposes, among other things, rent control guidelines that limit the ability to raise rental rates at residential properties. In addition to limiting the ability to raise rental rates, residential tenancy legislation in some jurisdictions prescribes certain limitations on terminations of residential tenancies. While exposure to such jurisdictions is expected to be very minimal, any limits on TAH's or TLC's (and, as its portfolio stabilizes, TLR's) ability to raise rental rates at their properties, or to terminate defaulting tenancies, may adversely affect their financial performance.

Acquisitions and development projects undertaken by the Company's investees may require zoning and other approvals from local government agencies. The process of obtaining such approvals may take months or years, and there can be no assurance that the necessary approvals for any particular project will be obtained. Holding costs accrue while regulatory approvals are being sought, and delays could negatively impact investment performance.

Construction Industry Risks

The success of our investments and the successful performance of our investment vehicles is very often dependent on stability in the construction industry. This industry has from time to time experienced significant difficulties in the supply of materials and services, including with respect to: shortages of qualified trades people; labour disputes; shortages of building materials; unforeseen environmental and engineering problems; and increases in the cost of certain materials. When any of these difficulties occur, it may cause delays and increase anticipated costs, which could adversely affect the Company's investment performance and financial condition.

Taxation Risks

We endeavour to structure our investments and activities to be efficient under the prevailing U.S. and Canadian tax framework. Any change in tax legislation or policy (including in relation to taxation rates) could adversely affect the after-tax return we can earn on our investments and activities, capital available for investment (including from our institutional investors), and the willingness of investors to acquire our securities or invest in our investment vehicles. A number of other factors may increase our effective tax rates, which would have a negative impact on our net income. These include, but are not limited to, changes in the valuation of our deferred tax assets and liabilities, and any reassessment of taxes by a taxation authority.

Furthermore, tax changes could impact the efficiency of the activities of our investees (for example, the tax efficiency of TAH's operations) and could also impact the overall economic conditions relevant to the success of those activities. For example, in the United States, the significant expenses of owning a home, including mortgage interest expense, are generally deductible for tax purposes (subject to various limitations). A change in tax law to eliminate or modify these benefits may increase the after-tax cost of owning a new home, which could adversely impact housing demand and/or sales prices. The impact of any tax changes on the activities of our investees could negatively impact the value of our investments and our financial performance.

According to publicly released statements, a top legislative priority of the Trump administration and the next Congress may be significant reform of the U.S. Internal Revenue Code, including significant changes to taxation of business entities and the deductibility of interest expense. There is a substantial lack of clarity around the likelihood, timing and details of any such tax reform and the impact of any potential tax reform on an investment in the Company. Prospective investors are urged to consult with their own tax advisor.

Divestitures

While the Company expects to divest certain of its non-core assets and business (including non-core homes at TAH, the TLC investment vertical, and the U.S. business of the TLR investment vertical), there is no assurance that these divestitures will be completed on terms favourable to the Company, or at all. Accordingly, any opportunities for debt reduction resulting from these divestitures, the anticipated effects of these divestitures on the Company's leverage position, or any other anticipated benefits of the divestitures, may never be realized, or may not be realized to the extent the Company currently anticipates.

Risks Related to Principal Investments

In addition to the general risks described above, the following risks are inherent in our Principal Investments. Many of these risks relate specifically to the activities of our investees and could have an impact on the value of the Company's investments and our financial condition.

Risks Related to Tricon Housing Partners

Operational and Credit Risks

On a strategic and selective basis, our private investment vehicles provide financing to develop properties. The residential real estate development business involves significant risks that could adversely affect THP's performance, including: the developer may not be able to complete construction on schedule or within budget, resulting in increased debt service expense and construction costs and delays in selling the properties; the developer may not be able to obtain, or may experience delays in obtaining, all necessary zoning, land-use, building, occupancy and other governmental permits and authorizations for the properties; the developer may not be able to sell properties on favourable terms or at all; construction costs, total investment amounts and THP's share of remaining funding may exceed our estimates; and projects may not be completed and delivered as planned.

THP investments are made through the financing of local developers, including Johnson, and, consequently, we rely to a great extent on those developers to successfully manage their development projects. Furthermore, given the Company's majority interest in Johnson, we rely on Johnson's ability to execute on portions of our investment strategy in THP. Investments in partnerships, joint ventures or other entities may involve risks not present were a third party not involved, including the possibility that the development partners might become bankrupt or otherwise fail to fund their share of required capital contributions. Additionally, the development partners might at any time have economic or other business interests or goals which are inconsistent with our business interests or goals. In addition, we do not have sole control of certain important decisions relating to these development properties, including decisions relating to: the sale of the development properties; refinancing; timing and amount of distributions of cash from such development properties; and capital improvements. Any of these factors could negatively impact the value of our investments and our financial condition.

The above risks are also relevant to Tricon Luxury Residences.

Risks Related to Tricon American Homes and Tricon Lifestyle Communities

Many of the risks noted below will also be relevant to Tricon Luxury Residences as its portfolio stabilizes.

Lease Renewal and Turnover Risk

If a tenant decides to vacate a rental property, whether as a result of deciding not to renew their lease or by vacating prior to the expiry of the lease, TAH or TLC may not be able to re-let that property in a short amount of time or at all. Additionally, even if they are successful in renewing a lease or re-letting a property, the terms of the renewal or re-letting may be less favourable than the original terms.

The ability to rent residential properties is affected by many factors, including changes in general economic conditions (such as the availability and cost of mortgage funds, vacancy rates, the availability of suitable potential tenants and the job market for prospective tenants), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, changing demographics or social preferences, competition from other available properties, and various other factors.

If TAH or TLC are unable to promptly renew leases or re-let properties, or if the rental rates upon renewal or re-letting are significantly lower than expected rates, their financial performance may be negatively impacted, which may adversely affect the value of the Company's investments and financial performance.

Furthermore, if a significant number of tenants are unable to meet their obligations under their leases or if a significant number of properties becomes vacant and cannot be re-leased on economically favourable terms, the TAH and TLC properties may not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures.

Resident Default

The success of the Company's rental income-producing verticals depends in large part upon the ability to attract and retain qualified residents. This will depend, in turn, upon the ability to screen applicants, identify qualified residents, and avoid residents who may default. The Company's investees rely on information supplied by prospective residents in their rental applications to make leasing decisions, and this information may not be accurate. Investees may not successfully screen applicants, and as a result, may rent to residents who default on leases or fail to comply with the terms of the lease or applicable homeowners' association regulations, which may negatively affect financial performance, reputation, and the quality and value of our properties.

In the event of a resident default or bankruptcy, our investees may experience delays in enforcing their rights as landlord and obtaining possession of the premises and incur legal, maintenance, and other costs in protecting their investment. In addition, they will incur turnover costs associated with re-leasing the properties such as marketing and brokerage commissions, will not collect revenue while the property sits vacant, and may be unable to re-lease the property at the rental rate previously received.

Reliance on Vendors

Our investees rely on local vendors and service providers, including house renovation professionals, maintenance providers, leasing agents, and property management companies in situations where it is cost-effective to do so or if their internal staff is unable to perform these functions. They generally do not have exclusive or long-term contractual relationships with any of these providers, and can provide no assurance that they will have uninterrupted or unlimited access to their services. Furthermore, selecting, managing, and supervising these service providers requires significant management resources and expertise. Poor performance by service providers, especially those who interact with residents in its properties, will reflect poorly on the Company and its investees and could significantly damage their reputation among desirable residents. Moreover, notwithstanding efforts to implement and enforce strong policies and practices regarding service providers, we may not successfully detect and prevent fraud, incompetence, or theft by service providers, which could expose us to material liability or responsibility for associated damages, fines, or penalties. In addition, any delay in identifying a service provider or removal or termination of existing service providers would require our investees to seek new vendors or providers, which could create delays and adversely affect their operating results.

Substitutions for Rental Properties

Demand for rental properties is impacted by and inversely related to the relative cost of home ownership. The cost of home ownership depends upon, among other things, interest rates offered by financial institutions on mortgages and similar home financing transactions. Currently, such rates are at or near historically low levels. If the interest rates offered by financial institutions for home ownership financing remain low or fail to rise, demand for TAH properties may be adversely affected.

An economic downturn may also impact the job markets and the ability of tenants to afford the rents associated with certain rental properties, which may result in increased demand for lower cost rental options. Such a reduction in demand may have an adverse effect on TAH's revenues.

Tenant Relief Laws

As the landlord of numerous properties, TAH and TLC are involved from time to time in evicting residents who are not paying their rent or who are otherwise in material violation of the terms of their lease. Eviction activities impose legal and managerial expenses that increase costs and expose us to potential negative publicity. The eviction process is typically subject to legal barriers, mandatory "cure" policies, internal policies and procedures and other sources of expense and delay, each of which may delay our ability to gain possession and stabilize the property. Additionally, state and local landlord-tenant laws may impose legal duties to assist residents in relocating to new housing, or restrict the landlord's ability to remove the resident on a timely basis or to recover certain costs or charge residents for damage residents cause to the landlord's premises. Because such laws vary by state and locality, TAH and TLC must be familiar with and take all appropriate steps to comply with all applicable landlord-tenant laws, and need to incur supervisory and legal expenses to ensure such compliance. To the extent that our investees do not comply with state or local laws, they may be subjected to civil litigation filed by individuals, in class actions or actions by state or local law enforcement and their and the Company's reputation and financial results may suffer. TAH and TLC may be required to pay their adversaries' litigation fees and expenses if judgment is entered against them in such litigation or if they settle such litigation.

Title Risk

TAH's acquisition of homes is often completed through a title company with an owner's title insurance policy being obtained. However, U.S. distressed single-family homes are often acquired through trustee auctions. Although TAH conducts due diligence and employs a title company to review title on target housing assets prior to purchasing such homes, title on the homes purchased through foreclosure sales and auctions is occasionally only assumed weeks after the purchase. Furthermore, an owner's title insurance policy is not available to protect against the inherent title risk arising through the foreclosure auction process. In the event that TAH fails to independently and properly assess a title risk or fails to assume one or more homes because of such failed analysis, it may not achieve its expected returns or yields relating to such investment.

Homeowners' Association Issues

A number of the properties in TAH's portfolio are located within homeowner's associations ("**HOAs**"), which are private entities that regulate the activities of and levy assessments on properties in a residential subdivision. HOAs in which TAH owns properties may have or enact onerous or arbitrary rules that restrict its ability to renovate, market or lease its properties or require it to renovate or maintain such properties at standards or costs that are in excess of its planned operating budgets. Such rules may include requirements for landscaping, limitations on signage promoting a property for lease or sale, or the use of specific construction materials used in renovations. Some HOAs also impose limits on the number of property owners who may rent their homes, which if met or exceeded, would cause TAH to incur additional costs to resell properties within the HOA and may also result in opportunity costs of lost rental income. Many HOAs impose restrictions on the conduct of occupants of homes and the use of common areas, and TAH may have residents who violate HOA rules and for which it may be liable as the property owner. The boards of directors of the HOAs in which TAH owns properties may not make important disclosures about the properties or may block its access to HOA records, initiate litigation, restrict its ability to sell its properties, impose assessments, or arbitrarily change the HOA rules. TAH may be unaware of or unable to review or comply with HOA rules before purchasing a property and any such excessively restrictive or arbitrary regulations may cause it to sell such property at a loss, prevent it from renting such property, or otherwise reduce its cash flow from such property, which would have an adverse effect on TAH's returns on the property.

Government Subsidies

Some of TAH's rental income is derived from government subsidized rental support programs, such as the Section 8 program operated by the U.S. Department of Housing and Urban Development. A reduction or elimination of government funding of such programs could result in higher rental turnover and downward pressure on rental rates, which could negatively impact TAH's financial performance.

MHC Tenant Financing

Tenants of manufactured housing communities typically own the manufactured home affixed to the pad that they lease from the MHC owner. The lack of "chattel financing" for tenants to acquire manufactured homes, or the terms of such chattel financing offered by lending entities, may negatively impact tenants' and prospective tenants' ability to own manufactured homes and may therefore have a negative impact on demand for pads in TLC's portfolio, which could in turn have an adverse effect on TLC's financial performance.

Reliance on Cobblestone

TLC investments involve the acquisition of properties through its joint venture with Cobblestone, which is an operating partner that has expertise in TLC's target markets. The Company's investments in TLC therefore involve risks, including, but not limited to, the possibility that Cobblestone may have business or economic goals which are inconsistent with those of TLC, that Cobblestone may be in a position to take action or withhold consent contrary to TLC's instructions or requests, and that TLC may be responsible to Cobblestone for indemnifiable losses. In some instances, Cobblestone may have competing interests in TLC's target markets that could create conflicts of interest. Further, Cobblestone may experience financial distress, including bankruptcy or insolvency, and TLC's performance could be adversely affected to the extent Cobblestone cannot meet its obligations.

Defaults or poor performance by Cobblestone could also result in disruptions to operations and other negative impacts on the value of TLC's portfolio that may adversely affect the Company's financial results in connection with TLC.

Risks Related to Tricon Luxury Residences

Guarantees of Project Debt

The Company may agree to provide financial assistance to the TLR project entities in which it invests. Such financial assistance may include the provision of payment guarantees to a project entity's lenders of acquisition financing, construction debt or long-term financing, and the provision of construction completion guarantees. Such guarantees may be joint or several with other partners in a particular investment. The Company's and its partners' guarantees of project-level obligations may not be in proportion to their respective investments in the project entity. The provision of such guarantees may reduce the Company's capacity to borrow funds under its separate credit facilities, which may impact its ability to finance its operations. If such guarantees are called upon for payment or performance, they may have a negative impact on the Company's cash position and financial performance. If the Company provides a joint guarantee with an investment partner, a default by the partner in its payment or performance obligation under the guarantee could cause the Company to pay a disproportionate amount in satisfaction of the guarantee, which may have a negative impact on the Company's cash position and financial performance.

Risks Relating to Private Funds and Advisory

In addition to the general risks described above, the following risks are inherent in our Private Funds and Advisory business.

Formation of Future Investment Vehicles

The ability to raise capital for any future investment vehicles remains subject to various conditions which Tricon cannot control, including the negotiation and execution of definitive legal documentation and commitments made by third-party investors. There can be no assurance that any capital will be raised through future investment vehicles or that any future warehoused investments of the Company will be acquired by any other future vehicles. A failure to raise sufficient capital through other investment vehicles could result in lower Assets Under Management and impair our future revenues and growth.

Structure of Future Investment Vehicles

There can be no assurance that the manner in which Contractual Fees, General Partner Distributions, Performance Fees and/or investment income are calculated in respect of future investment vehicles will be the same as the Active Investment Vehicles, including with respect to the treatment of the Company's principal investments in such vehicles through Tricon Housing Partners. Any such changes could result in the Company earning less Contractual Fees, General Partner Distributions and/or Performance Fees from the same Assets Under Management as compared to the Active Investment Vehicles and could expose the Company's principal investment in such future investment vehicles to increased risk, including, but not limited to, the risk of reduced investment income (at comparable investment performance levels) and the increased risk of loss of capital of the Company.

Ongoing Investment Performance

We believe that our ongoing investment performance is one of the most important factors for the success and growth of Private Funds and Advisory activities. Poor investment performance could impair our ability to raise future private capital, which could result in lower Assets Under Management and could impact our ability to earn Contractual Fees. In addition, our ability to earn Performance Fees is directly related to our investment performance and therefore poor investment performance may cause us to earn less or no Performance Fees.

Investment Vehicle Governance

The limited partnership agreements for certain Active Investment Vehicles provide that the general partner or manager of the investment vehicle may be removed by the limited partners in certain prescribed circumstances, including in some cases (and with the approval of a prescribed number of limited partners), without cause. These agreements may not provide for termination payments to the general partner or manager in the event of removal without cause. The removal of the general partner or the manager of an Active Investment Vehicle prior to the termination of such investment vehicle could materially adversely affect the reputation of Tricon, lower Assets Under Management and, as a result, reduce our Contractual Fees and Performance Fees.

Capital Commitment

The third-party investors in Tricon's investment vehicles comprise a relatively small group of reputable, primarily institutional, investors. To date, each of these investors has met its commitments on called capital and we have received no indications that any investor will be unable to meet its capital commitments in the future. While our experience with our investors suggests that commitments will be honoured, and notwithstanding the adverse consequences to a defaulting investor under the terms of the applicable investment vehicle, no assurances can be given that an investor will meet its entire commitment over the life of an investment vehicle. A failure by one or more investors to satisfy a drawdown request could impair an investment vehicle's ability to fully finance its investment, which could have a material adverse effect on the performance and value of that investment, which in turn could negatively impact the Company's financial condition.

Risks Related to a Public Company and Common Shares

Stock Exchange Prices

The market price of our Common Shares could fluctuate significantly as a result of many factors, including the following:

- economic and stock market conditions generally and specifically as they may impact participants in the real estate industry;
- our earnings and results of operations and other developments affecting our business;
- changes in financial estimates and recommendations by securities analysts following our Common Shares;
- earnings and other announcements by, and changes in market evaluations of, participants in the real estate industry;
- changes in business or regulatory conditions affecting participants in the real estate industry;
- addition or departure of the Company's executive officers and other key personnel;
- sales or perceived sales of additional Common Shares; and
- trading volume of the Common Shares.

In addition, the financial markets may experience significant price and volume fluctuations that affect the market prices of equity securities of companies and that are unrelated to the operating performance, underlying asset value or prospects of such companies. Accordingly, the market price of our Common Shares may decline even if our operating results or prospects have not changed. The value of the Common Shares is also subject to market fluctuations based upon factors which influence the Company's operations, such as legislative or regulatory developments, competition, technological change and global capital market activity. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares.

Additional Capital

The Company's ability to carry on its business generally, and in particular to take advantage of investment opportunities, may require it to raise additional capital. Additional capital may be sought through public or private debt or equity financings by Tricon or another Tricon entity and may result in dilution to or otherwise may have a negative effect on existing Tricon shareholders. Further, there can be no assurances that additional financing will be available to Tricon when required or desired by Tricon, on advantageous terms or at all, which may adversely affect Tricon's ability to carry on its business.

Additional Indebtedness

The degree to which the Company is leveraged could have important consequences for the Company, including: (i) the Company's future ability to obtain additional financing for working capital, capital expenditures or other purposes may be limited; (ii) the Company may be unable to refinance indebtedness on terms acceptable to the Company or at all; (iii) a significant portion of the Company's cash flow (on a consolidated basis) could be dedicated to the payment of the principal of and interest on its indebtedness, thereby reducing funds available for future operations, capital expenditures and/or dividends on its Common Shares; and (iv) the Company may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures.

Dividends

Holders of Common Shares do not have a right to dividends on such shares unless declared by the Board of Directors. Although the Board has established a dividend policy authorizing the declaration and payment of dividends to holders of Common Shares on a quarterly basis, the declaration of dividends is at the discretion of the Board of Directors even if the Company has sufficient funds, net of its liabilities, to pay such dividends.

The Company may not declare or pay a dividend if there are reasonable grounds to believe that (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realizable value of the Company's assets would thereby be less than the aggregate quantum of its liabilities. Liabilities of the Company will include those arising in the ordinary course of business and indebtedness.

Future Sales and Dilution

The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders have no pre-emptive rights in connection with such further issuances. The Board has the discretion to determine the price and the terms of issue of further issuances of Common Shares and securities convertible into Common Shares. Any future issuances of Common Shares could be dilutive to shareholder interests at the time of issuance.

Holding Company

Tricon Capital Group Inc. is a holding company and a substantial portion of its assets are the equity interests in its subsidiaries. As a result, investors are subject to the risks attributable to its subsidiaries. As a holding company, the Company conducts substantially all of its business and makes its investments through its subsidiaries, which generate substantially all of its revenues. Consequently, the Company's performance and growth are dependent on the earnings of its subsidiaries and the distribution of those earnings to the Company. The ability of these entities to pay distributions will depend on their operating results and may be subject to applicable laws and regulations and to contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of the Company's subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Company.

Financial Reporting and Other Public Company Requirements

The Company is subject to reporting and other obligations under applicable Canadian securities laws and Toronto Stock Exchange rules, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. These reporting and other obligations place significant demands on Tricon's management, administrative, operational and accounting resources. Moreover, any failure to maintain effective internal controls could cause the Company to fail to meet its reporting obligations or result in material misstatements in its consolidated financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed, which could also cause investors to lose confidence in the Company's reported financial information, which could result in a lower trading price of its Common Shares.

Management does not expect that Tricon's disclosure controls and procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that its objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected in a timely manner or at all.

Risks Related to the Acquisition

The Recent Prospectus lists a number of risks to the Company arising in connection with the proposed Acquisition of Silver Bay, including risks inherent in acquisitions of this nature and risks associated with: a possible failure to complete the Acquisition, a possible failure to realize expected returns from the Acquisition, the integration of Silver Bay's business, transaction and financing execution, leverage, transaction costs, future performance, and information relating to Silver Bay. Please refer to the Recent Prospectus for additional details concerning these risks.

DIVIDENDS

All dividends are subject to declaration by Tricon's Board of Directors. The Company expects that, to the extent permitted under applicable laws, the Board will declare, and the Company will pay quarterly dividends on its Common Shares in the aggregate annual amount of C$0.26 per share. The Board re-evaluates its dividend policy from time to time and in March 2016 increased the annual dividend payable under the dividend policy from C$0.24 to C$0.26 per Common Share. The payment of dividends is not guaranteed, however, and the amount and timing of any dividends payable by the Company will be at the discretion of the Board of Directors and will be established on the basis of a number of factors, including but not limited to: Tricon's earnings, financial requirements for the Company's operations, the satisfaction of solvency tests imposed by applicable corporate law for the declaration and payment of dividends and the satisfaction of regulatory capital requirements.

The table below sets out the amount of cash dividends paid by the Company in each of the three most recently completed fiscal years.

Year Ended	Cash Dividend per Common Share (C$)
2014	$0.24
2015	$0.24
2016	$0.255

DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of Common Shares. As at December 31, 2016, the Company had outstanding 112,754,769 Common Shares and C$85,731,000 in aggregate principal amount of convertible unsecured subordinated debentures which, in the aggregate, are convertible into 8,748,061 Common Shares.

On March 17, 2017, the Company issued 20,326,250 Subscription Receipts, each of which entitles the holder to automatically receive one Common Share upon the completion of the Acquisition. The Subscription Receipts have been issued pursuant to the Subscription Receipt Agreement and their terms are described in detail in the Recent Prospectus.

Also on March 17, 2017, the Company issued $172,500,000 in aggregate principal amount of 2022 Debentures, which are described below.

Common Shares

Holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company, except meetings of holders of another class of shares. Each Common Share entitles the holder thereof to one vote.

Subject to the preferences accorded to holders of any other shares of the Company ranking senior to the Common Shares from time to time with respect to the payment of dividends, holders of Common Shares are entitled to receive, if, as and when declared by the Board, such dividends as may be declared thereon by the Board from time to time in equal amounts per share on the Common Shares at the time outstanding, without preference or priority.

In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Company, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs (a "**Distribution**"), holders of Common Shares are entitled, after payment of debts and other liabilities, in each case subject to the preferences accorded to the holders of any other shares of the Company ranking senior to the Common Shares from time to time with respect to payment on a Distribution, to share equally, share for share, in the remaining property of the Company.

Convertible Debentures

2022 Debentures

On March 17, 2017, Tricon issued $172.5 million in aggregate principal amount of 5.75% extendible convertible unsecured subordinated debentures (the "**2022 Debentures**"). The initial maturity date of the 2022 Debentures is the Termination Date of the Acquisition (as defined in the Recent Prospectus). If the Acquisition closes prior to the Termination Date, the maturity date of the 2022 Debentures will be automatically extended from the initial maturity date to March 31, 2022, and following such closing, the 2022 Debentures will be convertible into Common Shares at a conversion at a conversion rate of 95.6023 Common Shares per $1,000 principal amount of 2022 Debentures (equivalent to a conversion price of approximately $10.46 per Common Share).

The 2022 Debentures bear interest at 5.75% per annum, which is payable semi-annually in arrears in March and September, and were issued pursuant to a trust indenture dated as of March 17, 2017 between Tricon and TSX Trust Company (the "**2022 Convertible Debenture Indenture**").

The 2022 Debentures may not be redeemed by the Company prior to March 31, 2020, except in the event of the satisfaction of certain conditions after a change of control has occurred. On or after March 31, 2020 and prior to March 31, 2021, the 2022 Debentures may be redeemed by the Company in whole or in part from time to time, on not more than 60 days' and not less than 30 days' prior notice, at a price equal to the principal amount thereof plus accrued and unpaid interest, provided that the U.S. dollar equivalent of the volume-weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day immediately preceding the date on which notice of redemption is given is not less than 125% of the conversion price. On or after March 31, 2021 and prior to their final maturity date, the 2022 Debentures may be redeemed by the Company in whole or in part and from time to time, on not more than 60 days' and not less than 30 days' prior notice, at a price equal to the principal amount thereof plus accrued and unpaid interest.

2020 Debentures

On February 25, 2013, Tricon issued C$86.0 million aggregate principal amount of 5.60% convertible unsecured subordinated debentures due March 31, 2020, and convertible into Common Shares at a conversion price of C$9.80 per Common Share (the "**2020 Debentures**"). The 2020 Debentures bear interest at 5.60% per annum, which is payable semi-annually in arrears in March and September, and were issued pursuant to a trust indenture dated as of February 25, 2013 between Tricon and Equity Financial Trust Company (the "**2020 Convertible Debenture Indenture**").

The 2020 Debentures may not be redeemed by the Company prior to March 31, 2016, except in the event of the satisfaction of certain conditions after a change of control has occurred. On or after March 31, 2016 and prior to March 31, 2018, the 2020 Debentures may be redeemed by the Company in whole or in part from time to time, on not more than 60 days' and not less than 30 days' prior notice, at a price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume-weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day immediately preceding the date on which notice of redemption is given is not less than 125% of the conversion price. On or after March 31, 2018, the 2020 Debentures may be redeemed by the Company in whole or in part and from time to time, on not more than 60 days' and not less than 30 days' prior notice, at a price equal to the principal amount thereof plus accrued and unpaid interest.

Ratings

The pass-through certificates (the "**Certificates**") representing an interest in TAH's 2015 Securitized Loan and 2016 Securitized Loan (together, the "**Securitized Loans**"), described above under "Description of the Business – General Development of the Business – Tricon American Homes" have been assigned the following ratings by Kroll Bond Rating Agency, Inc. ("**KBRA**"), Moody's Investors Service Inc. ("**Moody's**") and Morningstar Credit Ratings, LLC ("**Morningstar**" and, collectively with KBRA and Moody's, the "**Rating Agencies**", and each a "**Rating Agency**"):

2015 Certificates

Class of Certificates	Rating (KBRA/Moody's/Morningstar)
Class A	AAA(sf)/Aaa(sf)/AAA
Class B	AA(sf)/Aa2(sf)/AA
Class C	A-(sf)/A2(sf)/A
Class D	BBB+(sf)/Baa2(sf)/BBB+
Class E	BBB-(sf)/NR/BBB-
Class F	NR/NR/BB

2016 Certificates

Class of Certificates	Rating (KBRA/Moody's/Morningstar)
Class A	AAA(sf)/Aaa(sf)/AAA
Class B	AA(sf)/Aa2(sf)/AA
Class C	A-(sf)/A2(sf)/A
Class D	BBB+(sf)/Baa2(sf)/BBB+
Class E	BBB-(sf)/NR/BBB-
Class F	NR/NR/BB-

The ratings address the likelihood of the timely receipt by certificateholders of interest and principal. The ratings take into consideration the credit quality of the underlying single-family rental homes and the Securitized Loans, structural and legal aspects associated with the Certificates, and the extent to which the payment stream of the Securitized Loans are adequate to make payments required under the Certificates.

The ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by any Rating Agency. In addition, these ratings do not address: (a) the likelihood, timing, or frequency of prepayments (both voluntary and involuntary) and their impact on interest payments, (b) the possibility that a certificateholder might suffer a lower than anticipated yield, (c) the likelihood of receipt of spread maintenance premiums or default interest, (d) the likelihood of experiencing prepayment interest shortfalls or of receiving compensating interest payments, (e) the tax treatment of the Certificates or effect of taxes on the payments received, (f) the likelihood or willingness of the parties to the respective documents to meet their contractual obligations, or (g) other non-credit risks.

The following information relating to the credit rating methodology of each Rating Agency is based on information made available to the public by the Rating Agencies.

Morningstar uses a set of letter ratings ranging from AAA to D to express its opinion of the credit quality of an obligor or security, based on its policies and procedures. Morningstar also provides finer gradations of the ratings ranging from AA to CCC by adding a plus (+) or minus (-) sign to indicate relative strength within the rating categories.

Moody's uses a set of letter ratings ranging from Aaa to C to express its opinion of the relative credit risks of financial obligations, based on its policies and procedures. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Moody's appends an "(sf)" indicator to ratings assigned to structured finance obligations.

KBRA uses a set of letter ratings ranging from AAA to D to express its opinion of the relative credit risks of financial obligations, based on its policies and procedures. KBRA may also provides finer gradations of the ratings ranging from AA to CCC by adding a plus (+) or minus (-) sign to indicate relative strength within the rating categories. KBRA appends an "(sf)" indicator to ratings assigned to structured finance obligations.

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan ("**DRIP**") dated November 15, 2012, and amended as of May 10, 2016, provides eligible holders of Common Shares with the opportunity to reinvest their cash dividends paid on the Common Shares to purchase additional Common Shares at a price equal to the Average Market Price (as defined in the DRIP) on the applicable dividend payment date, less an applicable discount. The Common Shares acquired under the DRIP will, at the discretion of the Company, either be purchased through the facilities of the TSX or issued by the Corporation from treasury. Details on the DRIP are available on the Company's website at www.triconcapital.com.

Normal Course Issuer Bid

On October 6, 2015, the TSX approved the Company's notice of intention to make a normal course issuer bid ("**NCIB"**) for a portion of its Common Shares. Under the NCIB, the Company was permitted to repurchase for cancellation up to a maximum of 10,421,165 Common Shares, being 10% of the Company's public float, in the 12-month period commencing October 8, 2015 and ending on October 7, 2016. The Company purchased and cancelled 244,520 Common Shares under the NCIB in the year ended December 31, 2016.

Shareholder Rights Plan

The Company has in place a Rights Plan, which was continued, amended and restated by the Company's shareholders on May 25, 2016. The Rights Plan is intended to ensure that a person seeking to acquire control of Tricon gives shareholders and the Board of Directors sufficient time to evaluate a potential bid, negotiate with the initial bidder and encourage competing bids to emerge. The Rights Plan protects shareholders by requiring all potential bidders to comply with certain "Permitted Bid" conditions, or else such bidders will be subject to the dilutive features of the Rights Plan. A more detailed summary, as well as the full text, of the Rights Plan are included in the Company's Management Information Circular dated April 6, 2016, available at www.sedar.com.

MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX under the trading symbol TCN. The high and low trading prices (in Canadian dollars) and total volume traded of the Common Shares on the TSX for each month of the most recently completed fiscal year are set out below.

Month	High (C$)	Low (C$)	Volume
January	9.18	7.88	14,268,159
February	8.67	7.53	7,846,804
March	9.07	7.77	11,628,222
April	9.08	8.36	13,108,378
May	8.97	8.10	14,023,588
June	9.32	8.18	12,253,705
July	9.83	8.44	12,412,631
August	10.34	9.18	12,741,684
September	9.80	8.86	13,186,997
October	9.31	8.68	9,197,209
November	9.75	8.26	10,752,409
December	9.85	9.27	7,301,033

The 2020 Debentures (described under "Description of Capital Structure – Convertible Debentures") are listed and posted for trading on the TSX under the trading symbol "TCN.DB.A". The high and low trading prices (in Canadian dollars) per C$100 principal amount of debentures and total volume traded of the 2020 Debentures on the TSX for each month of the most recently completed fiscal year are set out below.

Month	High (C$)	Low (C$)	Volume
January	110.81	101.57	1,673,000
February	107.00	102.80	1,758,000
March	110.82	104.99	1,340,000
April	109.00	107.00	2,652,280
May	108.86	106.97	1,270,000
June	109.50	108.00	572,770
July	113.50	107.14	3,149,000
August	116.00	111.00	1,872,280
September	113.00	110.90	1,616,000
October	112.00	109.99	2,660,870
November	113.00	105.10	686,000
December	112.06	109.13	473,000

ESCROW OF SECURITIES

No Common Shares are in escrow at December 31, 2016.

DIRECTORS AND OFFICERS

The Company's Board of Directors is comprised of seven directors, four of whom are independent in accordance with the meaning given to such term in National Policy 58-201 – *Corporate Governance Guidelines*. The by-laws of the Company require that all directors stand for re-election on an annual basis at a meeting of shareholders.

Two of the seven directors have served since the initial public offering of Tricon's Common Shares in May 2010. Michael Knowlton was first elected to the Board on May 18, 2011. Peter Sacks and Gary Berman were first elected to the Board on May 21, 2014. Siân Matthews was first elected to the Board on May 20,

2015. Ira Gluskin was appointed to the Board on November 7, 2016. The term of office for each director expires at the end of the next annual meeting of shareholders, currently scheduled for May 24, 2017, unless re-elected.

Except as described in their biographies below, or above under the heading "Description of the Business – Senior Management Team", none of the directors are currently directors of other issuers that are also reporting issuers (or the equivalent) in a territory of Canada or in a foreign territory.

The following table lists the directors and executive officers of Tricon as of the date hereof, their municipality of residence, position with the Company and current principal occupation, if different than the position held with the Company. The principal occupations of the directors and executive officers during the past five years are included in their biographies below, or above under the heading "Description of the Business – Senior Management Team".

Name and Municipality of Residence	Position With The Company	Current Principal Occupation (If Different Than Position Held)
David Berman Toronto, Ontario	Co-Founder and Executive Chairman	—
Peter Sacks [1][2] Toronto, Ontario	Lead Director	Corporate Director
Michael Knowlton [1][2] Whistler, British Columbia	Director	Corporate Director
Siân Matthews [2] Calgary, Alberta	Director	Corporate Director
Ira Gluskin[1] Toronto, Ontario	Director	Corporate Director
Geoffrey Matus Toronto, Ontario	Co-Founder and Director	Consultant and Corporate Director
Gary Berman Toronto, Ontario	Director, President and Chief Executive Officer	—
Wissam Francis Toronto, Ontario	Chief Financial Officer	—
Doug Quesnel Toronto, Ontario	Chief Accounting Officer	—
Jonathan Ellenzweig Larkspur, California, USA	Managing Director	—
Craig Mode Toronto, Ontario	Managing Director	—
David Veneziano Toronto, Ontario	Vice President, General Counsel & Corporate Secretary	—

1. Member of Audit Committee.
2. Member of Compensation, Nominating and Corporate Governance Committee of the Board.

The directors and executive officers of the Company, as a group, directly or indirectly, beneficially own, or control or direct, 6,417,598 Common Shares of the Company, representing approximately 5.7% of the total issued and outstanding Common Shares, as of December 31, 2016.

The following are brief biographies of the directors of the Company other than David Berman Geoff Matus, and Gary Berman. Biographies of Messrs. Berman, Matus and Berman and the other executive officers of the Company are included above under “Description of the Business – Senior Management Team”.

Peter D. Sacks (Ontario, Canada) is the Lead Director of the Company.

Peter Sacks was the founder of Cidel Asset Management Inc., from which he retired in February 2017. He established its predecessor company – Toron Investment Management – in 1988, following an extensive career in banking where he held executive positions in Treasury Management with CIBC, Chase Manhattan Bank Canada and Midland Bank Canada.

Mr. Sacks is an independent director of several U.S. publicly traded closed-end and open-end funds managed by Aberdeen Asset Management Plc. His past directorships include Kinross Mortgage Corporation Ltd., CIBC Trust Company Ltd., CIBC Limited, and Horizons BetaPro ETFs. He also served on the Investment Advisory Committee of the Ontario Public Guardian & Trustee and as Chairman of the Independent Review Committee of Children’s Education Funds Inc. His community service has included directorships in Young People’s Theatre and Childhood Now.

J. Michael Knowlton (British Columbia, Canada) is a Director of the Company and Chair of the Audit Committee.

Michael Knowlton retired from Dundee Realty Corporation in 2011, where he held the position of President and COO of Dundee Real Estate Investment Trust. He joined Dundee Realty in 1998, holding various positions with Dundee Realty and Dundee Real Estate Investment Trust, including Executive Vice President and COO, Executive Vice President and CFO and Managing Director Limited Partnerships, before becoming President of the REIT in 2006. Prior to that, he worked at OMERS Realty Corp. from 1990 until 1998 as Senior Vice President and CFO.

He currently serves as a trustee and chair of the audit committee of Crombie Real Estate Investment Trust (TSX:CRR.UN), a trustee and member of the audit committees of Dream Industrial Real Estate Investment Trust (TSX:DIR.UN) and Dream Global Real Estate Investment Trust (TSX:DRG.UN), and is a former member of the board of trustees for True North Apartment Real Estate Investment Trust and Northwest Healthcare Properties Real Estate Investment Trust.

Mr. Knowlton holds Bachelor of Science (Engineering) and Master of Business Administration degrees from Queen’s University in Kingston, Ontario. He is a Chartered Accountant and holds an ICD.D designation.

Siân Matthews (Alberta, Canada) is a Director of the Company and Chair of the Compensation, Nominating and Corporate Governance Committee of the Board.

Ms. Matthews is a corporate director and, until 2009, was a partner and head of the Private Services Group at Bennett Jones LLP. She began her legal career at Macleod Dixon LLP in Calgary.

She is currently the Chairperson of Canada Post Corporation, where she has been a director since 2007. She is also a director of Cidel Bank Canada.

Ms. Matthews is a director of The Calgary Foundation, a director of the Southern Alberta Opera Association, a past director and Chair of the Governance Committee of the Calgary Municipal Lands Corporation, a past director and Chair of the Governance Committee of the Heritage Park Society, and a past director of the Calgary Opera Association.

Ms. Matthews has nationally-recognized legal expertise in the areas of taxation and governance, and has been distinguished by her peers by inclusion on the Best Lawyers in Canada and the Lexpert Leading

Practitioners lists. She is a member of the Law Society of Alberta, holds a Bachelor of Arts degree from the University of Waterloo, a Juris Doctor degree from the University of Ottawa, and an ICD.D designation.

Ira Gluskin (Toronto, Canada) is a Director of the Company.

Mr. Gluskin, a well-known industry commentator, is the co-founder and an honorary lifetime Director of Gluskin Sheff + Associates Inc., one of Canada's pre-eminent wealth management firms. He served as the firm's President & Chief Investment Officer through December 31, 2009, and as a Director and the firm's Vice-Chairman through December 18, 2013.

Mr. Gluskin is a member of the Advisory Board of Vision Capital Corporation, the University of Toronto's Real Estate Advisory Committee, the University of Toronto's Boundless Campaign Executive Committee, the Sinai Health System's Board of Directors and Investment Committee, and the Toronto Symphony Foundation. Mr. Gluskin is also the former Chair of the Investment Advisory Committee for the Jewish Foundation of Greater Toronto and is currently a member of its Investment Committee.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the directors or executive officers or proposed directors of the Company is, as at the date of this Annual Information Form, or has been within the ten years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any person or company (including the Company) that was subject to one of the following orders, that was in effect for a period of more than 30 consecutive days:

(a) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued while the director or executive officer was acting in his or her capacity as director or executive officer; or

(b) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in his or her capacity as director, chief executive officer of chief financial officer.

Other than as described below, none of the directors or executive officers of the Company, or shareholders holding a sufficient number of securities of the Company to affect materially its control:

(a) is, as at the date of this Annual Information Form, or has been within the ten years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or the shareholder; or

(c) has had imposed any penalties or sanctions by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security regulatory authority or has had imposed any penalties or sanctions by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Geoffrey Matus was formerly the Chairman of Biltrite Rubber (1984) Inc. and Biltrite Rubber Inc. (collectively, "**Biltrite**"). Biltrite applied for protection under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**"), and was granted such protection on March 12, 2009. On September 16, 2009, following the completion of the sales process for Biltrite's business and assets, the CCAA proceedings were terminated and a receiver was appointed to dispose of any remaining assets at that time.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. However, the Company's directors and officers may serve on the boards and/or as officers of other companies which may compete in the same industry as the Company, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which the Company may participate or enter into contracts with the Company, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that a conflict of interest arises at a meeting of the directors of the Company, such conflict of interest must be declared and the declaring parties must recuse themselves from the meeting and abstain from participating and voting for or against the approval of any project or opportunity in which they may have an interest. Provided such steps are followed and subject to any limitations in the Company's constating documents, a transaction would not be void or voidable because it was made between the Company and one or more of its directors or by reason of such director being present at the meeting at which such agreement or transaction was approved. The remaining directors will determine whether or not the Company will participate in any such project or opportunity.

To the best of the Company's knowledge, other than as set forth below, there are no known existing or potential conflicts of interest among the Company, directors, executive officers or other members of management of the Company as a result of their outside business interests.

David Berman is a member of the board of directors of The New Home Company ("**TNHC**"), a California-based homebuilding and land development company that is listed on the New York Stock Exchange. Through its private investment vehicles, the Company holds a significant interest in TNHC and has entered into a number of transactions with TNHC and expects to enter into additional transactions in the future.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

PROMOTERS

No person was considered a promoter of Tricon for the purposes of applicable securities legislation during the last two completed fiscal years of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company was not party to, nor was its property the subject of, any material legal proceedings during the 2016 fiscal year, nor is it aware that any such proceedings are contemplated.

No penalties or sanctions relating to securities legislation were imposed, nor were any related settlement agreements entered into, nor were there any other material penalties or sanctions imposed by a court or regulatory body, on or by the Company during the 2016 fiscal year.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is TSX Trust Company at its principal office located at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The full text of the Charter of the Audit Committee is set out in Schedule A.

Audit Committee Composition

The Audit Committee is composed of three independent,[1] financially literate[2] directors as of the date of this AIF: Michael Knowlton, Peter Sacks and Ira Gluskin. An outline of the Audit Committee members' work experience and education is set out above under "Directors and Officers". The Board believes that the composition of the Audit Committee reflects a high level of financial literacy. Each member of the Audit Committee has education and experience that is relevant to his or her performance as an Audit Committee member and has, in particular, education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements;

(b) the ability to assess the general application of the above-noted principles in connection with estimates, accruals and reserves;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed fiscal year has the Company relied on the exemption in Sections 2.4 (De Minimis Non-audit Services), 3.2 (Initial Public Offerings), 3.3(2) (Controlled Companies), 3.4 (Events Outside Control of Members), 3.5 (Death, Disability

[1] Pursuant to National Instrument 52-110 – *Audit Committees*, as amended, of the Canadian Securities Administrators ("**NI 52-110**"), a member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

[2] An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The Board has determined that each member of the Audit Committee is financially literate, having reference to the definition contained in NI 52-110 and based on consideration of the relevant education and experience of each member of the Audit Committee.

or Resignation of Audit Committee Member), 3.6 (Temporary Exemption for Limited and Exceptional Circumstances), 3.8 (Acquisition of Financial Literacy) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 thereof.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed fiscal year has the Audit Committee made a recommendation to nominate or compensate an external auditor that was not adopted by the Board.

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors, to approve in advance the provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services provided to the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chair of the Audit Committee deems necessary, and the Chair will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Audit Committee's consideration, and, if thought advisable, approval in writing.

External Auditor Service Fees

PricewaterhouseCoopers LLP was first appointed as auditors of the Company on January 26, 2010. The aggregate fees paid to PricewaterhouseCoopers LLP for the fiscal years 2014 through 2016 are as follows. All amounts listed below are in Canadian dollars.

Fiscal Year Ended December 31	Company Audit Fees	Company Audit Related Fees	Audit of Tricon-Managed Funds	Tax Fees	All Other Fees
2016	478,000	72,000	282,000	103,509	35,000
2015	418,500	647,000	301,000	266,000	-
2014	405,000	68,500	301,800	340,100	26,700

"Audit Related Fees" comprise services performed on the Company's quarterly interim reviews and prospectus audit work done. "All Other Fees" relate to additional consulting services. An additional 5% administrative fee is charged on the fee amounts noted above.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or shareholder that beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the outstanding Common Shares, or any known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction or proposed transaction within the three most recently completed fiscal years or during the current fiscal year that has materially affected or will materially affect the Company or a subsidiary of the Company.

The Company has a ten year sub-lease commitment on its head office premises to a related party, Mandukwe Inc., a company owned or controlled by a director and co-founder of the Company, Geoffrey Matus. The annual rental amount is C$119,250 plus common area maintenance costs and realty taxes. The lease expires on November 30, 2019.

In connection with Tricon's acquisition of an approximate 68.4% limited partnership interest in THP1 US in 2013, certain directors and executive officers of the Company sold their indirect interests in THP1 US to Tricon. As set forth in the prospectus filed in connection with the transaction, Tricon relied on an exemption from the valuation and minority approval requirements for "related party transactions" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"), on the basis that neither the fair market value of, nor the fair market value of the consideration for, the transaction as it related to such individuals was greater than 25% of the Company's market capitalization calculated in accordance with MI 61-101.

At the time of the Company's initial public offering, certain contractual arrangements were confirmed pursuant to which all Contractual Fees and Performance Fees received in respect of funds created prior to January 1, 2000 are for the account of certain directors, employees and other individuals and will be allocated and paid to such individuals by way of bonus or other contractual payment.

INTERESTS OF EXPERTS

The Company's auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have prepared an independent auditors' report dated February 22, 2017 in respect of the Company's financial statements with accompanying notes as at and for the year ended December 31, 2016. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

MATERIAL CONTRACTS

The following are the only material contracts, other than contracts in the ordinary course of business, which have been entered into by the Company and which are still in effect:

- An agreement and plan of merger by and among Tricon Capital Group Inc., TAH Acquisition Holdings LLC, TAH Acquisition LP, Silver Bay, Silver Bay Management LLC and Silver Bay Operating L.P. made as of February 27, 2017, pursuant to which the Company will indirectly acquire Silver Bay, which agreement is summarized in detail in the Recent Prospectus.

- The Subscription Receipt Agreement governing the terms of the Subscription Receipts, which terms are summarized in detail in the Recent Prospectus.

- The 2022 Convertible Debenture Indenture (see "Description of Capital Structure – Convertible Debentures").

- The 2020 Convertible Debenture Indenture (see "Description of Capital Structure – Convertible Debentures").

- The 2016 Securitized Loan Agreement (See "Description of the Business – General Development of the Business – Tricon American Homes").

- The 2015 Securitized Loan Agreement (See "Description of the Business – General Development of the Business – Tricon American Homes").

- A second amended and restated credit agreement dated as of February 27, 2015, as amended by a first amending agreement dated as of June 30, 2015, a second amending agreement dated as of May 10, 2016, a third amending agreement dated as of July 13, 2016 and a fourth amending agreement dated as of December 22, 2016, among the Company, Royal Bank of Canada and other financial institutions, pursuant to which such financial institutions have made available to the Company a $235 million revolving credit facility. Amounts borrowed under the facility bear interest at an applicable reference rate (LIBOR, Canadian prime rate, or U.S. base rate, all as defined in the credit agreement), depending on the type of loan advanced, plus an applicable margin, depending on the type of loan and the Company's debt-to-EBITDA ratio (as calculated under the agreement). The range of applicable margins is 350–375 basis points for LIBOR loans and 250–275 basis points for other loan types. Tricon Capital Group Inc. is the borrower under the facility and the facility is guaranteed by certain of its subsidiaries and is subject to customary financial and non-financial covenants. The Company has received a commitment from Royal Bank of Canada to increase the size of this credit facility from $235 million to $350 million in connection with the completion of the Acquisition. The details of this commitment are summarized in the Recent Prospectus.

- On June 13, 2013, Tricon American Homes entered into a loan agreement with Deutsche Bank AG and other financial institutions, which has been amended from time to time and which provides for a revolving credit facility of $275 million to finance property acquisitions in Tricon American Homes. Certain subsidiaries of Tricon American Homes LLC are the borrowers under the facility. Amounts borrowed under the facility bear interest at a rate equal to LIBOR plus 3.00%, subject to a LIBOR floor of 0.25%. The facility is guaranteed by Tricon Capital Group Inc. on a non-recourse basis subject only to certain "bad boy" acts, and is subject to customary financial and non-financial covenants.

ADDITIONAL INFORMATION

Additional financial information relating to the Company is available in its financial statements and Management's Discussion and Analysis for the year ended December 31, 2016.

All of these documents, as well as additional information relating to the Company, are available on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, will be contained in the Company's Management Information Circular for its annual meeting of shareholders scheduled for May 24, 2017.

Toronto, Ontario
March 29, 2017

Schedule A – Audit Committee Charter
(the “Charter”)

1. Purpose

The Audit Committee (the “**Committee**”) is appointed by the board of directors (the “**Board**”) of Tricon Capital Group Inc. (the “**Corporation**”) to assist in the oversight and evaluation of:

- the quality and integrity of the financial statements of the Corporation;
- the internal control and financial reporting systems of the Corporation;
- the compliance by the Corporation with legal and regulatory requirements in respect of financial disclosure;
- the qualification, independence and performance of the Corporation’s independent auditors;
- the performance of the Corporation’s Chief Financial Officer; and
- any additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

In addition, the Committee provides an avenue for communication between the independent auditor, financial management, other employees and the Board concerning accounting and auditing matters.

The Committee is directly responsible for the appointment, compensation, retention (and termination) and oversight of the work of the independent auditor (including oversight of the resolution of any disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing audit reports or performing other audit, review or attest services for the Corporation.

The Committee is not responsible for:

- planning or conducting audits,
- certifying or determining the completeness or accuracy of the Corporation’s financial statements or that those financial statements are in accordance with generally accepted accounting principles, or
- guaranteeing the report of the Corporation’s independent auditor.

The fundamental responsibility for the Corporation’s financial statements and disclosure rests with management and the independent auditors are responsible for auditing those financial statements. It is not the duty of the Committee to conduct investigations, to itself resolve disagreements (if any) between management and the independent auditor or to ensure compliance with applicable legal and regulatory requirements.

2. Reports

The Committee shall report to the Board on a regular basis and, in any event, before the public disclosure by the Corporation of its quarterly and annual financial results. The reports of the Committee shall include any issues of which the Committee is aware with respect to:

- the quality or integrity of the Corporation's financial statements;
- compliance by the Corporation with legal or regulatory requirements in respect of financial matters and disclosure;
- the performance and independence of the Corporation's independent auditor;
- the effectiveness of systems of control (including risk management) established by management to safeguard the assets (real and intangible) of the Corporation; and
- the proper maintenance of accounting and other records.

The Committee shall also prepare, as required by applicable law, any audit committee report required for inclusion in the Corporation's publicly filed documents.

3. Composition

The members of the Committee shall be three or more individuals who are appointed (and may be replaced) by the Board. Each of the members of the Committee shall meet the standards for independence required by applicable regulatory, stock exchange and securities law requirements and, without limitation, shall be financially literate (or acquire that familiarity within a reasonable period after appointment). This shall, at a minimum, include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity that can reasonably be expected to be raised by the Corporation's financial statements. No member of the Committee shall accept (directly or indirectly) any consulting, advisory or other compensatory fee from the Corporation (other than remuneration for acting in his or her capacity as a director) or be an "affiliated person" of the Corporation. (For this purpose, an "affiliate" of a person is a person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the first person.) Without the approval of the Board, no member of the Committee shall concurrently serve on the audit committee of a competitor or client.

4. Responsibilities

It is recognized that, in fulfilling their responsibilities, members of the Committee are not full-time employees of the Corporation. As such, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to determine that the Corporation's financial statements are complete and accurate. Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Corporation from which it receives information, and (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board).

The Committee shall have authority over, and shall be responsible for, the following specific matters:

4.1. Independent Auditors

For the purposes of this Section 4.1, references to "independent auditors" include a reference to the independent auditors of any material subsidiary of the Corporation (other than a subsidiary that has an audit committee comprised of individuals who are independent from the Corporation) if different than the independent auditors of the Corporation (a "**Subsidiary Auditor**").

The Committee shall:

- Recommend to the Board the independent auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation.

- Establish the compensation of the independent auditor.

- Obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the Committee and the Board.

- Oversee the independent auditor and, in the context thereof, require the independent auditor to report to the Committee (among other things) any disagreement between management and the independent auditor regarding financial reporting and the resolution of each such disagreement.

- Adopt policies and procedures for the pre-approval of the retention of the Corporation's independent auditor for all audit and permitted non-audit services (subject to any restrictions on such services imposed by applicable legislation), including procedures for the delegation of authority to provide such approval to one or more members of the Committee.

- At least annually, review the qualifications, performance and independence of the independent auditor. In doing so, the Committee should, among other things, undertake the measures set forth in Appendix "A" to this Charter.

- At least annually, review and approve a strategy for the appointment of independent auditors by any of the Corporation's subsidiaries (other than its material subsidiaries or any subsidiary that has an audit committee comprised of individuals who are independent from the Corporation).

4.2. The Audit Process, Financial Statements and Related Disclosure

The Committee shall, as it determines to be appropriate:

- Review with management and the independent auditor and, where appropriate, any Subsidiary Auditor:

  - the proposed audit plan and scope of review by the independent auditor or Subsidiary Auditor;

  - before public disclosure, the Corporation's annual audited financial statements and quarterly unaudited financial statements, the Corporation's accompanying disclosure of management's discussion and analysis of financial condition and results of operations

("**MD&A**") and earnings press releases and make recommendations to the Board as to the approval and dissemination of those statements and disclosure;

  - the adequacy of the procedures for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in the immediately preceding paragraph and periodically assess the adequacy of those procedures and consider whether they are complete and consistent with the information known to committee members;

  - financial information and any earnings guidance provided to analysts and rating agencies, recognizing that this review and discussion may be done generally (consisting of a discussion of the types of information to be disclosed and the types of presentations to be made) and need not take place in advance of the disclosure of each release or provision of guidance;

  - any significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the selection or application of accounting principles, any major issues regarding auditing principles and practices, and the adequacy of internal controls that could significantly affect the Corporation's financial statements;

  - all critical accounting policies and practices used;

  - all alternative treatments of financial information within International Financial Reporting Standards ("**IFRS**") that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;

  - the use of "pro forma" or "adjusted" non-IFRS information;

  - the effect of regulatory and accounting initiatives, as well as any off-balance sheet structures, transactions, arrangements and obligations (contingent or otherwise), on the Corporation's financial statements;

  - any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls or disclosure controls made to the Committee by the Chief Executive Officer and the Chief Financial Officer during their certification process in documents filed with applicable securities regulators;

  - the adequacy of the Corporation's internal accounting controls and management information systems and its financial, auditing and accounting organizations and personnel and any special steps adopted in light of any material control deficiencies; and

  - the establishment, and periodic review, of procedures for the review of financial information extracted or derived from the Corporation's consolidated financial statements.

- Review with management the Corporation's guidelines and policies with respect to risk assessment and the Corporation's major financial and business risk exposures and the steps management has taken to monitor and control such exposures.

- Review with the independent auditor or any Subsidiary Auditor:

  - the quality as well as the acceptability of the accounting principles that have been applied;

- any problems or difficulties the independent auditor may have encountered during the provision of its audit-related services, including any restrictions on the scope of activities or access to requested information and any significant disagreements with management, any management letter provided by the independent auditor or other material communication (including any schedules of unadjusted differences) to management and the Corporation's response to that letter or communication; and

- any changes to the Corporation's significant accounting principles and practices suggested by the independent auditor and members of management.

- Review with management all related party transactions and the development of policies and procedures related to those transactions.

- Following completion of the annual audit, review with each of management and the independent auditors (or Subsidiary Auditors) any significant issues, concerns or difficulties encountered during the course of the audit including:

  - restrictions on the scope of work or on access to required or requested information;

  - issues or concerns that arose during the course of the audit concerning the Corporation's internal accounting controls, or the fair presentation, completeness or accuracy of the financial statements; and

  - analyses prepared by management or the auditors setting forth significant financial reporting issues and judgments made in connection with preparation of the financial statements (including analysis of the effects of alternative treatments under generally accepted accounting principles).

- Periodically review reports on the Corporation's information technology systems that support the financial reporting process.

- Receive and review reports from other Board committees with regard to matters that could affect the audit or results of operations.

- Oversee appropriate disclosure of the Charter, and other information required to be disclosed by applicable legislation in the Corporation's public disclosure documents, including any management information circular distributed in connection with the solicitation of proxies from the Corporation's security holders.

4.3. Compliance

The Committee shall, as it determines appropriate:

- Review with the Corporation's Chief Financial Officer, other members of management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Corporation's financial statements or accounting policies.

- Review with the Corporation's external legal counsel legal matters that may have a material impact on the financial statements or accounting policies.

- Establish procedures for:

    - the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and

    - the confidential, anonymous submission by employees of the Corporation with concerns regarding any accounting or auditing matters.

- Review independent financial analyst commentary concerning the Corporation and its financial reporting.

4.4. __Delegation__

To avoid any confusion, the Committee responsibilities identified above are the sole responsibility of the Committee and may not be delegated to a different committee.

5. Meetings

The Chair of the Committee shall be selected by the Board. If the Chair of the Committee is not present, the members of the Committee may designate a Chair for the meeting by majority vote of the members of the Committee present.

The Committee shall meet in accordance with a schedule established each year by the Committee, and at other times that the Committee may determine. Quorum for all meetings shall be a majority of the Committee members. Minutes shall be maintained of all meetings of the Committee and copies of the minutes shall be made available to all members of the Board.

The Committee shall meet periodically with the Chief Financial Officer, the independent auditors and external legal counsel in separate sessions. Meeting agendas shall be developed by the Chair of the Committee in consultation with the Corporation's management and the independent auditors. Committee members may propose agenda items through communication with the Chair of the Committee or the Chief Financial Officer. Agendas, together with appropriate briefing materials, shall be circulated to Committee members prior to meetings. At the discretion of the Committee, members of management and others may attend Committee meetings other than the separate sessions with the independent auditors, the Chief Financial Officer and the external legal counsel.

6. Resources and Authority

The Committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to engage and establish the compensation of, at the expense of the Corporation, outside advisors including experts in particular areas of accounting, legal counsel and other experts or consultants as it determines necessary to carry out its duties, without seeking approval of the Board or management. The Committee will advise the Board of any such action taken.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and has direct access to the independent auditors as well as anyone in the Corporation.

7. Annual Evaluation

At least annually, the Committee shall, in a manner it determines to be appropriate:

- Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter.

- Review and assess the adequacy of its Charter (including with respect to the procedures regarding the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements) and recommend to the Board any improvements to this Charter that the Committee determines to be appropriate.

Appendix A
Qualifications, Performance and Independence of Independent Auditor

At least annually, the Committee shall, in a manner it determines to be appropriate:

- Review the experience and qualifications of the senior members of the independent auditor's team.
- Confirm with the independent auditor that it is in compliance with applicable legal, regulatory and professional standards relating to auditor independence.
- Review and approve clear policies for the hiring by the Corporation of employees or partners or former employees or former partners of the current and former independent auditor.
- Review annual reports from the independent auditor regarding its independence and consider whether there are any non-audit services or relationships that may affect the objectivity and independence of the independent auditor and, if so, recommend that the Board take appropriate action to satisfy itself of the independence of the independent auditor.
- Obtain and review such report(s) from the independent auditor as may be required by applicable legal and regulatory requirements.
- Conduct an evaluation (taking into account the opinions of management) of the independent auditor's qualifications, performance and independence and present to the Board the Committee's conclusion in such regard.
- Review, as required, the independent auditor's plans with respect to the partner rotation.