



Tricon Announces Investment in Master Planned Community and Completes Third-Party Syndication of Land Assets

Toronto, Ontario – July 20, 2016 – Tricon Capital Group Inc. (“Tricon” or the “Company”, TSX:TCN), a principal investor and asset manager focused on the residential real estate industry, announced today that it has completed an investment in Trinity Falls (“Trinity Falls”), its second master planned community located in the Dallas-Forth Worth MSA. Tricon also announced that it has syndicated its recent investments in two shorter duration land and homebuilding projects, namely 490 El Camino (“El Camino”) in Belmont, California, an investment which closed in June 2016, and the previously-announced Queen Creek investment in the Phoenix MSA.

“Similar to Cross Creek Ranch and Viridian, Trinity Falls represents a unique opportunity to invest in an established, cash-flowing master planned community in one of the strongest housing markets in the U.S.” said Gary Berman, Tricon’s President and Chief Executive Officer. “Today’s announcement demonstrates several aspects of Tricon’s growth model at work including the ability to: i) use our balance sheet opportunistically to secure high quality land assets; ii) leverage our partnership in Johnson’s leading land development platform to acquire and operate existing master planned communities such as Trinity Falls; and iii) syndicate warehoused investments to private investors, earning additional contractual management fees and potentially performance fees in the process. We believe this model will allow Tricon to remain at the forefront of the land and homebuilding investment market in the U.S. and to continue to deliver strong risk-adjusted returns to our private investors and shareholders.”



Photos: Trinity Falls master planned community common amenities and existing homes

Trinity Falls Investment

Trinity Falls is a fully-entitled 1,700 acre existing master planned community located in the fast-growing North Dallas submarket of McKinney, Texas. The amenity-rich community offers a resort-style clubhouse, beach entry pool, neighbourhood parks, programmed activities for residents, as well as more than three miles of river frontage, over 20 miles of hike-and-bike trails and over 450 acres of open space.

The project is initially being capitalized with a \$74 million contribution from Tricon and in place development financing. Trinity Falls will be developed by The Johnson Companies LP (“Johnson”) and is the fifth investment made by Tricon alongside Johnson. Similar to prior investments in Cross Creek Ranch (Houston MSA) and Viridian (Dallas-Fort Worth MSA), the business plan will entail the continued development of the community with Tricon benefiting from in-place contractual lot sales revenues, development management fees and asset management fees from the project. Trinity Falls has delivered over 700 lots to homebuilders since August 2014 and is projected to deliver an additional ~3,200 lots over the next ten years, as well as one million square feet of retail and commercial space.

Trinity Falls enhances Tricon’s presence in the attractive Dallas-Fort Worth market which leads the U.S. in both new housing starts for the last 12 months and year-over-year job growth amongst major cities (source: Metrostudy and Bureau of Labor Statistics). According to the U.S. Census Bureau, Dallas-Fort Worth is also ranked second in annual population growth in the U.S. The City of McKinney, where Trinity Falls is situated, was named the number one place to live in the U.S. by Money Magazine in 2014. Trinity Falls is conveniently located between two major transit thoroughfares (with direct access off the Central Expressway), and is within 20 miles of the Legacy West employment node and the Richardson Telecom Corridor, two of the fastest growing job nodes in the Dallas-Fort Worth MSA.

490 El Camino Investment

Tricon closed on its investment in El Camino on June 7, 2016. El Camino is a fully-entitled 1.84 acre site in Belmont, California, a residential community located in the San Francisco Peninsula. The business plan entails the development and sale of 73 condominium units (~1,080 SF average unit size) and approximately 4,900 square feet of ground floor retail space within a four-storey wood-framed structure. The property is centrally located between key employment hubs in San Francisco and Silicon Valley, and is close to a variety of retail and entertainment amenities as well as major commuter arterials and public transit.

The total project commitment of \$21 million is being funded with \$18.9 million from Tricon and its syndicated partner (90%), and \$2.1 million (10%) from Tricon’s local development partner. This investment is consistent with Tricon’s strategy of blending larger long term deals with smaller short term deals to generate a smoother cash flow profile for its Tricon Housing Partners investment vertical.

Syndication to Third-Party Investor

On June 7, 2016, Tricon completed the syndication of its investments in El Camino and Queen Creek to a third-party investor. The total portfolio commitment is \$31.7 million, with the investor committing \$25.3 million (80%) and Tricon retaining a commitment of \$6.4 million as a principal co-investment (20%). This new investment vehicle is referred to as Tricon Housing Partners US Syndicated Pool I (THP US SP1).

This transaction is consistent with Tricon's strategy of using its balance sheet to opportunistically acquire land and homebuilding assets and to warehouse these investments until syndication to third-party investors. Similar to its prior managed investment vehicles, Tricon expects to earn asset management fees and potentially performance fees from THP US SP1, as well as investment income from its co-investment in the vehicle.

About Tricon Capital Group Inc.

Tricon is a principal investor and asset manager focused on the residential real estate industry in North America with approximately \$2.8 billion (C\$3.6 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. Our business objective is to invest for investment income and capital appreciation through our Principal Investment business and to earn fee income through our Private Funds and Advisory business. Since its inception in 1988, Tricon has invested in real estate and development projects valued at approximately \$17 billion. More information about Tricon is available at www.triconcapital.com.

About Johnson Development Corp.

Based in Houston, Texas, The Johnson Development Corp. was founded over 35 years ago and is a leader in the development of highly-amenitized master planned residential and mixed-use communities across the U.S. Johnson is currently active in Dallas, Houston and Atlanta and is currently developing four of the top fifty master planned communities in the U.S. based on 2015 new home sales. In 2014, Tricon made a strategic investment to acquire an ownership interest in Johnson's development management business, The Johnson Companies LP.

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This news release includes non-IFRS financial measures, such as Assets Under Management, which are defined and discussed in Tricon's Management's Discussion and Analysis for the quarter

ended March 31, 2016, available on SEDAR at www.sedar.com. This news release may contain forward-looking statements relating to expected future events and financial and operating results and projections of the Company, including statements regarding the Company's growth and investment opportunities, opportunities to syndicate warehoused investments, expected fee income and investment income, project timelines, and anticipated investment performance, that involve risks and uncertainties. Forward-looking information and statements are based on management's reasonable expectations, intentions and assumptions in light of existing project business plans, existing market conditions and the Company's experience in these markets. 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 are described in the Company's continuous disclosure materials from time to time, available on SEDAR at www.sedar.com. Accordingly, although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.