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Tricon Capital Group to Acquire Silver Bay Realty Trust Corp. Transformative Acquisition for Tricon American Homes

All dollar amounts are expressed in U.S. Dollars unless otherwise stated

Toronto, Ontario – February 27, 2017 – 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 entered into an agreement to acquire Silver Bay Realty Trust Corp. (“Silver Bay”, NYSE: SBY), 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 “Acquisition”). 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 members of the Board of Directors of Silver Bay have unanimously approved the transaction, and are agreeing to vote their shares and interests in favour of the Acquisition, which is expected to close by the end of Q2 2017. Highlights of the transaction include:

- Transformational acquisition for Tricon that will create the fourth largest publicly-owned single-family rental (“SFR”) company in the U.S., with a focus on the U.S. Sun Belt and the Middle Market¹
- Combination of two geographically complementary SFR portfolios is expected to unlock substantial operating benefits and efficiencies
- Expected to be accretive to Tricon’s earnings per share and net asset value per share, driven by the expected strong Funds From Operations profile, home price appreciation and cost synergies
- Provides a catalyst for Tricon’s strategy to simplify its business model by focusing on scale and industry leadership in select housing verticals
- Tricon will host an investor conference call to discuss the Acquisition today at 4:30 p.m. ET

Gary Berman, Tricon’s President and Chief Executive Officer, commented: “The proposed acquisition of Silver Bay is an incredibly exciting and transformational event for Tricon. This acquisition will more than double the size of Tricon American Homes, establishing it as the fourth largest publicly-owned SFR company in the U.S. Silver Bay’s high-quality and well managed portfolio of SFR homes is a natural complement to our TAH assets, in particular given the geographic overlap in the Sun Belt. We believe that the transaction will result in significant operating and overhead synergies creating immediate value for our shareholders. In conjunction with the Acquisition, we also intend to exit our smaller non-core businesses and take a meaningful

¹ Management defines the Middle Market as households earning \$50,000 - \$95,000 per year, which typically can pay monthly rent of between \$1,000 - \$1,600

step toward simplifying our overall corporate business model by focusing on scale, industry leadership, enhanced disclosure and operational integration across our investment verticals.”

Detailed Transaction Highlights:

Enhanced Scale in High Growth Target Markets: Following the Acquisition, the Company’s Tricon American Homes (“TAH”) vertical will rank as the fourth largest publicly-owned SFR owner/operator in the U.S. with over 16,800 homes. At closing, the combined company will operate in 18 markets, including six markets with at least 1,000 homes and ten markets with at least 500 homes, resulting in enhanced scale and market density that is expected to drive meaningful operating cost savings. The combined portfolio will have a strategic focus on the high growth U.S. Sun Belt, with approximately 84% of Silver Bay’s homes located in TAH’s existing markets. The combination will position TAH among SFR industry leaders with compelling operational metrics across key performance indicators.

Established Leader in the Middle Market Rental Segment: The transaction enhances TAH’s position as the leading SFR operator focused on the Middle Market as both TAH and Silver Bay have focused their portfolios on this segment. The Middle Market consists of approximately 11 million rental households that, in the opinion of management, tend to be stable, longer-term renters. This trend is evident in TAH’s and Silver Bay’s combined portfolio turnover rate of 28.3% for the twelve month period ended December 31, 2016 as compared to turnover for sector peers of 35-40%. Management expects a lower turnover ratio to result in lower operating costs and therefore enhanced financial performance over time.

Opportunity for Meaningful Cost Rationalization: Transaction synergies are expected to be recognized through two primary channels: (i) property-level efficiencies arising from enhanced operating scale in each market, which management estimates will add approximately 200 bps to Silver Bay’s net operating income margin of approximately 58% for the full year of 2016; and (ii) general and administrative expense synergies through the elimination of corporate-level redundancies, Silver Bay public reporting costs and back office overhead expenses, which management estimates to be approximately \$10 million per annum in aggregate.

Simplifying Tricon’s Business Model: The Acquisition provides an opportunity for Tricon to further simplify and streamline its business model. Management believes that it can maximize shareholder value by focusing its efforts on complementary residential real estate verticals where Tricon can gain meaningful scale and be an industry leader while generating attractive risk-adjusted returns for its shareholders.

In this regard, Tricon will be pursuing an orderly exit of its Tricon Lifestyle Communities manufactured housing land lease business after completing its existing value-add business plan, as well as disposing of its U.S. multi-family development assets upon their stabilization. Management has made the decision to exit these verticals because of the current challenges it faces in building effective scale and the prospect of better return opportunities in its core businesses. Going forward, Tricon will remain focused on growing its core investment verticals of Tricon American Homes, Tricon Housing Partners and Tricon Luxury Residences – Canada, all of which are well positioned for long-term leadership in their respective industry sectors.

Transaction Terms

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, which represents a 22.3% premium to Silver Bay's 20-day volume-weighted average trading price as of February 24, 2017.

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 expected to close by the end of Q2 2017, subject to the approval of Silver Bay shareholders and the satisfaction or waiver of other customary closing conditions.

Transaction Funding

To partially finance the Acquisition, the Company intends to use the net proceeds from one or more "bought deal" public offerings, the details of which the Company expects to announce shortly.

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 \$70 million on the facility to finance a portion of the Acquisition price. Tricon has also obtained a commitment from Royal Bank of Canada for bridge Acquisition financing in an amount equal to approximately \$265 million.

The balance of the Acquisition purchase price and amounts required to refinance Silver 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.

Transaction Advisors

RBC Capital Markets is acting as the sole financial advisor to Tricon. Paul, Weiss, Rifkind, Wharton & Garrison LLP, Goodmans LLP and Goulston & Storrs PC are acting as legal advisors to Tricon in connection with the Acquisition and proposed financing.

Conference Call

Management will host a conference call to discuss the transaction at 4:30 p.m. ET today. Please call 647-427-2311 or 1-866-521-4909 (conference ID #75934253). A supplementary presentation about the Acquisition will be provided at www.triconcapital.com (Investor Information – Events & Presentations) 10 minutes prior to the start of the call. A replay of the conference call will be available from 8:30 p.m. ET on February 27, 2017 until midnight ET on March 3, 2017. To access the replay, please call 416-621-4642 or 1-800-585-8367 and use conference ID #75934253.

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 \$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. 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 \$18 billion. More information about Tricon is available at www.triconcapital.com.

About Tricon American Homes

Tricon American Homes is a leading owner and operator of single-family rental homes in the United States with approximately 8,000 homes in 14 markets, predominantly located in the Sun Belt. TAH's portfolio is concentrated in neighborhoods with good school districts, strong resident demographics and proximity to major employment centers, providing families with a viable alternative to homeownership. Headquartered in Orange County, California, TAH has a team of approximately 250 employees nationwide who are focused on driving customer retention through a high-quality product offering and a focus on customer service. More information about TAH is available at www.triconamericanhomes.com.

About Silver Bay Realty Trust Corp.

Silver Bay, headquartered in Plymouth, Minnesota, is a publicly-traded single-family rental real estate investment trust listed on the New York Stock Exchange under the ticker symbol "SBY". Silver Bay is focused on the acquisition, renovation, leasing, and management of SFR properties in select markets in the United States (primarily located within the U.S. Sun Belt). As of December 31, 2016, Silver Bay owned 9,044 SFR properties in Arizona, California, Florida, Georgia, Nevada, North Carolina, Ohio, South Carolina and Texas.

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This press release may contain forward-looking statements and information relating to expected future events and the Company's financial and operating results and projections, including statements regarding the Company's growth and investment opportunities and the performance goals and expectations of its investees, including, in particular, targeted returns, that involve risks and uncertainties. Such forward-looking information is typically indicated by the use of words such as "will", "may", "expects" or "intends".

The forward-looking statements and information contained in this press release include, without limitation, statements regarding the Acquisition and any equity offering by the Company, the terms of the 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, 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.

The Company has included herein certain supplemental measures of key performance, including, but not limited to, net asset value per share, net operating income margin and funds from operations, as well as certain key indicators of the performance of our investees. We utilize these measures in managing our business, including performance measurement and capital allocation, and believe that providing these performance measures on a supplemental basis is helpful to investors in assessing the overall performance of the Company's business. However, these measures are not recognized under IFRS. Since non-IFRS measures do not have standardized meanings prescribed by IFRS, Tricon's use of these measures may not be comparable to similar measures reported by other issuers and they should not be construed as alternatives to net income (loss) or cash flow from the Company's activities, determined in accordance with IFRS, in measuring the Company's performance,. The definition, calculation and reconciliation of the non-IFRS measures used herein are provided in Sections 6 and 7 of the Company's MD&A for the periods ending December 31, 2016.

This press release may contain information and statistics regarding the markets in which the Company and its investees operate. Some of this information has been obtained from market research, publicly available information and industry publications. This information has been obtained from sources believed to be reliable, but the accuracy or completeness of such information has not been independently verified by the Company and cannot be guaranteed.

THIS PRESS RELEASE IS NOT A SOLICITATION OF PROXIES FROM SILVER BAY'S SHAREHOLDERS IN CONNECTION WITH THE ACQUISITION, AND WE ARE NOT ASKING YOU FOR A PROXY.