



Tricon Announces \$2 billion Joint Venture to Acquire Over 10,000 Single-Family Rental Homes

Toronto, Ontario – June 27, 2018 – 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 a joint venture agreement (“Joint Venture” or “JV”) with two leading institutional investors to create a portfolio of single-family rental homes which will be acquired and managed by Tricon American Homes (“TAH”). The investors include one of the world’s largest sovereign wealth funds and one of the largest state pension plans in the United States (“the Investors”). The Joint Venture will be capitalized with a total equity commitment of \$750 million, enabling it to acquire approximately 10,000-12,000 single-family rental homes expected to be valued at approximately \$2 billion when including associated leverage.

“The entry of two of the largest and most respected global real estate investors into single-family rental is not only a transformational milestone for Tricon but also a significant endorsement for this burgeoning asset class,” said Gary Berman, President and CEO of Tricon Capital. “The Joint Venture also provides us with a clear path to scale, enabling our TAH platform to grow to 25,000-30,000 homes over the next three years. Our objective since entering the single-family rental industry has been to build up our balance sheet and prove out new businesses in order to ultimately become a bigger and better asset manager; we have taken a major step towards achieving this goal by entering into this JV, and in doing so, we believe the earnings potential and financial flexibility that stem from being an asset manager will come back into focus.”

Transaction Details

Under the terms of the Joint Venture, Tricon and the two Investors have each committed to invest \$250 million for a one-third interest in the JV. The total committed capital of \$750 million is expected to be deployed over a three-year investment period and will enable the JV to assemble a portfolio of approximately 10,000-12,000 homes using leverage not to exceed 65% loan to value. Tricon’s \$250 million equity commitment is expected to be funded using internally generated cash flow.

During the investment period, the JV will serve as TAH’s dedicated vehicle for organic single-family rental home acquisitions. Acquisitions will be focused on homes in TAH’s active markets, primarily located in the U.S. Sun Belt, with similar investment parameters to TAH’s current acquisition program and a continued strategy of targeting “middle market” households. Following the three-year investment period, the homes will continue to be managed by TAH over a five-year hold period, for a total term of eight years. At the conclusion of the JV term, Tricon and the Investors have the right to retain their one-third interest in the JV portfolio (either by extending the JV term or holding the properties in a new vehicle which may be managed by Tricon) or to liquidate their positions. In the case

of a liquidation, Tricon has a right of first offer to acquire the Investors' stake. TAH's existing portfolio and operating platform will remain wholly owned by Tricon and outside of the JV.

Throughout the term of the JV, Tricon and the Investors will each earn their proportionate share of investment income or net cash flow from the properties. Tricon will also be entitled to receive customary asset management fees, property management fees (through the TAH platform) and potentially performance fees for managing third-party capital.

Raymond James Ltd. acted as Tricon's exclusive advisor in connection with the establishment of the JV with respect to one of the Investors.

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 \$5.5 billion (C\$7.3 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 \$19 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 15,500 homes in 16 core markets across nine states, 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 410 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.

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Certain statements contained in this news release are forward-looking statements and are provided for the purpose of presenting information about management's current expectations and plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. These forward-looking statements include statements regarding the availability of leverage to facility home

acquisitions in the JV, the anticipated value of the JV portfolio and size of the JV, the anticipated pace and number of JV home acquisitions, Tricon's growth plans for TAH, the JV's acquisition program and business strategy, and Tricon's entitlement to fees (including potential performance fees). Such statements are subject to significant known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such statements and, accordingly, should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Such risks include the risk that debt financing opportunities for the JV may not be available on acceptable terms or at all, and the risk that homes meeting the JV's underwriting criteria may not be available for acquisition, which risks may be dependent on market factors and not entirely within the Company's control. Although management believes that it has a reasonable basis for the expectations reflected in these forward-looking statements, actual results may differ from those suggested by the forward-looking statements for various reasons. These forward-looking statements reflect current expectations of the Company as at the date of this news release and speak only as at the date of this news release. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as may be required by applicable law.