TRICON CAPITAL GROUP INC
MANAGEMENT DISCUSSION AND ANALYSIS
AS AT SEPTEMBER 30,2010

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis ("MD&A") as of September 30, 2010 is provided as of November 9, 2010. It should be read in conjunction with the unaudited interim consolidated financial statements, including the notes thereto of Tricon Capital Group Inc. ("Tricon" or the "Company") for the three and nine months ended September 30, 2010, **as well as the audited consolidated financial statements as at December 31, 2009, 2008 and January 1, 2007 and the consolidated statement of operations, comprehensive (loss) income, changes in equity and cash flows for each of the years in the three year period ended December 31, 2009 and the MD&A for that period (additional information relating to the Company is available at (www.sedar.com), and the Prospectus for the Initial Public Offering of the Common Shares of the Company dated May 14, 2010.** The unaudited interim consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in Canadian dollars.

Forward-Looking Statements

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

Overview

Tricon is an asset manager of funds that participate in the development of real estate in North America by providing financing (typically in the form of participating loans which consist of a base rate of interest and/or a share of net cash flow) to developers. The Company focuses specifically on residential land development, single-family homebuilding and multi-family construction as well as retail development done in conjunction with residential projects.

Our business uses a number of terms that are non-IFRS measures. Such terms are defined in the section entitled "Metrics of our Business".

Metrics of Our Business (Non-IFRS Financial Measures)

Our financial success is dependent upon our ability to attract investors to a fund and to select successful, high-return projects for such funds. These in turn lead to our two main revenue streams of (i) Contractual Management Fees and (ii) Performance Fees. Contractual Management Fees are, as the name implies, contractual and are typically calculated on the lesser of: (a) the fund's capital commitment, and (b) net partners' capital plus unpaid preferred return on capital (typically 9% to 10% per annum). Therefore, Contractual Management Fees are earned on the lower of: (i) investor committed capital and (ii) outstanding capital plus preferred return, depending on the stage of the fund. Contractual Management Fees decline over time once the Investment Period expires and investments are realized. Our Contractual Management Fees currently average approximately 1.14% of Assets under Management ("AUM"), which is lower than the average prescribed rates in the Limited Partnership Agreements as several funds are winding down, as mentioned in the Company's prospectus dated May 14, 2010. Performance Fees are also based on prescribed formulas within a fund's

Limited Partnership Agreement, and are earned after repayment to the limited partners of their capital and a predetermined preferred return. Accordingly, Performance Fees are earned towards the end of the life of any given fund, and are largely dependent on investment performance and our ability to choose successful development projects. In the case of both funds and syndicated investments, Performance Fees are calculated and paid on each distribution subsequent to repayment of investor capital and a predetermined preferred return and are therefore largely back-ended. Performance Fees are recognized when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

Assets under Management ("AUM") is a key measure for evaluating Contractual Management Fees. AUM increases when Tricon raises successor or additional funds and investors provide capital commitments to such funds, or when investments that exceed fund concentration limits are syndicated. New and existing investors, primarily institutional and a small proportion of high net worth investors, provide capital commitments to new Tricon-managed funds, thereby increasing our AUM. In addition, investments in a fund that are too large or investments that might lead to a heavy geographic or developer concentration in a fund are syndicated to existing institutional and/or high net worth investors and/or third parties, and this syndicated commitment increases AUM. After the expiry of the Investment Period, AUM decreases as fund capital is paid down through investment realization.

Two other key measures are "Adjusted EBITDA" and "Adjusted Base EBITDA". The adjustments to the Company's earnings reflected in these metrics are particularly relevant since the Company transitioned from a privately held company to a public company on May 20, 2010 and had different compensation plans in place before and after the IPO. The adjustments are made to provide a stable business performance metric over time. Refer to "Selected Financial Information" in this Management Discussion and Analysis ("MD&A") for a reconciliation of these measures to the closest IFRS measure.

We measure the success of our business by employing several key performance indicators which are not recognized under IFRS. The most important of these are mentioned above. These indicators should not be considered an alternative to IFRS financial measures such as net income. Non-IFRS financial measures do not have standardized definitions prescribed by IFRS and are therefore unlikely to be comparable with other issuers or companies. Our key performance measures are:

Assets under management ("AUM") is defined as capital commitments by investors in the funds managed by Tricon which are paying Contractual Management Fees and include syndicated investment commitments. During a fund's Investment Period, AUM is calculated as the capital commitment by the investors in the fund and related syndicated investments. After the expiry of the Investment Period, AUM is calculated on the lesser of: (a) the fund's capital commitment, and (b) net partners' capital plus unpaid preferred return on capital (typically 9 % - 10% per annum). AUM for syndicated investments is calculated as the capital commitment amount net of realized value.

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

Adjusted Base EBITDA refers to EBITDA adjusted for Performance Fees, the Performance Fee-Related Bonus Pool, Discretionary Management Bonuses and Non-Recurring items of the business; Discretionary Employee Compensation which was part of the compensation structure prior to the IPO, are also removed and replaced with a 12.5% Management Fee-Related Bonus Pool. This is intended to provide a stable business performance metric over time.

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

Adjusted Net Income refers to Adjusted EBITDA net of Amortization Expenses and Provision for Income Taxes.

Financial Summary

Adjusted EBITDA for the quarter and the nine months ended September 30, 2010 was $1,331,000 (Q3 2009 - $1,559,000) and $4,523,000 (YTD 2009 - $4,719,000), respectively.

Adjusted Base EBITDA for the quarter and the nine months ended September 30, 2010 was $1,213,000 (Q3 2009 - $1,443,000) and $3,801,000 (YTD 2009 - $4,595,000), respectively. Refer to "Selected Financial Information" in this MD&A for a reconciliation of these measures to the closest IFRS measure.

Adjusted EBITDA for the third quarter and nine months ended September 30, 2010 was lower than the corresponding periods in 2009 as a result of i) a decrease in Contractual Management Fees caused by foreign exchange fluctuations, and ii) an increase in Salaries and Benefits and General and Administration Expenses as a result of the hiring of a new employee, normal salary increases and additional expenses related to being a public company. The additional expenses have been partially offset by i) the interest earned on the Initial Public Offering proceeds and ii) Performance Fees. Specifically, while Performance Fees earned by the Company for the quarter were roughly equivalent to those earned in the third quarter of 2009, year to date Performance Fees are $1,196,000 higher than 2009, thereby helping to offset the additional expenses and keeping Adjusted EBITDA nearly in line with the prior year's results.

AUM at September 30, 2010 was $876,984,000. As expected, AUM decreased for the quarter and year-to-date by $101,548,000 and $124,016,000, respectively. The majority of these decreases resulted from (i) the successful realization of several projects in the TCC VI fund and related syndicated investments and the subsequent distribution of proceeds to investors, (ii) the removal of TCC V's outstanding capital from AUM given that management fees are not currently being earned and the recent decision of the provider of the fund's working capital line to no longer support the remaining projects in the fund, and (iii) a change in the foreign exchange conversion rates, from CA$1.10 to CA$1.029, the rate in effect at the balance sheet date, for each US$1.00, on U.S. AUM. To be clear, the removal of TCC V from the AUM calculation has no impact on Company Revenues but does result in a higher ratio of weighted management fees to AUM, which in turn is more reflective of the Contractual Management Fees stipulated in the Limited Partnership Agreements of the Company's active funds. The Company has no existing or future commitments or obligations to the TCC V fund.

The Company has provided Adjusted EBITDA and Adjusted Net Income figures as a result of several Non-Recurring and Non-Cash Items including a significant LTIP-related expense. Under IFRS the Company is required to estimate amounts payable pursuant to the Company's Long-Term Incentive Plan based on the estimated fair value of assets within each fund managed by the Company at each reporting period. This has resulted in an expense during the quarter and year to date of $373,000 and $6,211,000, respectively. As all employees participating in the LTIP relating to funds in existence at the time of the IPO were fully vested, the full liability and expense was recognized in the second quarter of 2010. Going forward, our net income will be impacted based on the fair value changes from quarter to quarter relating to these funds. It should be noted that the LTIP payments will only be made when and if the corresponding Performance Fees are earned in the future. This requirement to accrue potential LTIP payments to employees of these amounts, without recognizing the related income that would have to be earned by the Company if it were to make those payments, resulted in reduced income for the quarter and a loss year-to-date. Adjusted Net Income for the quarter and the nine months ended September 30, 2010 was $633,000 (Q3 2009 - $750,000) and $1,995,000 (YTD 2009 - $2,434,000) respectively.

During the three months ended September 30, 2010, a new subordinated loan was committed by Canadian fund Tricon X and a loan previously approved was reassessed and cancelled, thereby changing capital available for investment to $21,000,000 after taking into account fund reserves and contingencies. Capital available in US distressed fund Tricon IX remains unchanged at approximately $77,000,000 after taking into account fund reserves and contingencies. It is expected that the remaining capital available in Tricon X and Tricon IX will be substantially committed by the end of 2010 and Q1 2011, respectively. We have formally commenced fundraising efforts for successor Canadian fund Tricon XII and expect to launch successor distressed US fund Tricon XI by the first quarter of 2011, in line with our previous expectations.

The Company recorded its first dividend on September 30, 2010 in the amount of $1,094,000 (6 cents per share) which was paid on October 15th, 2010 from cash generated by operations. On November 9th, 2010 the Board of Directors declared a dividend of 6 cents a share to shareholders of record on December 31st, 2010 and payable on January 15th, 2011.

Please see the "Financial Results", "Pro-Forma Adjusted Financial Information" and "Fund Information" sections below for a detailed explanation.

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SELECTED FINANCIAL INFORMATION

(Rounded to nearest thousand except per share amounts)
Unaudited

Selected Balance Sheet Information	**September 30, 2010**	**December 31, 2009**
Total Assets	$ 59,490,000	$ 6,859,000
Total Liabilities	$ 9,831,000	$ 4,636,000

	For the Three Months Ended September 30,		
	2010	**2009**	**Variance**
Selected Income Statement Information			
Contractual Management Fees	$ 2,486,000	$ 2,681,000	$ (195,000)
Performance Fees	236,000	232,000	4,000
Other Revenue	227,000	60,000	167,000
	2,949,000	**2,973,000**	**(24,000)**
Salaries and Benefits	1,279,000	996,000	283,000
LTIP expense	373,000	-	373,000
Professional and Directors' Fees	314,000	152,000	162,000
Discretionary Management Bonus	-	1,805,000	(1,805,000)
General and Administration Expense	356,000	148,000	208,000
Amortization	304,000	286,000	18,000
Realized and Unrealized Foreign Exchange Loss	46,000	46,000	-
	2,672,000	**3,433,000**	**(761,000)**
Net Income (Loss) before Income Taxes	**277,000**	**(460,000)**	737,000
Income Tax Expense (Recovery)	162,000	(49,000)	211,000
Net and Comprehensive Income (Loss) for the Period	**$ 115,000**	**$ (411,000)**	**$ 526,000**

Selected Adjusted Financial Informatio

	For the Three Months Ended September 30,		
	2010	**2009**	**Variance**
Net and Comprehensive Income (Loss) for the Period	**$ 115,000**	**$ (411,000)**	**$ 526,000**
Adjustments:			
Discretionary Management Bonus (1)	-	1,805,000	(1,805,000)
Discretionary Employee Compensation (2)	-	213,000	(213,000)
Non-Recurring and Non-Cash Items, Net (3)	750,000	37,000	713,000
Management Fee-Related Bonus Pool (4)	-	(206,000)	206,000
Performance Fee-Related Bonus Pool (5)	-	(116,000)	116,000
Total Adjustments	750,000	1,733,000	(983,000)
Net and Comprehensive Income After Adjustments	865,000	1,322,000	(457,000)
Tax Effect of Adjustments - Expense (6)	232,000	572,000	(340,000)
Adjusted Net Income (7)	**633,000**	**750,000**	**(117,000)**
Amortization (8)	304,000	286,000	18,000
Income Tax Expense (6)	394,000	523,000	(129,000)
Adjusted EBITDA (9)	**1,331,000**	**1,559,000**	**(228,000)**
Performance Fees (10)	(236,000)	(232,000)	(4,000)
Performance Fee-Related Bonus Pool (11)	118,000	116,000	2,000
Adjusted Base EBITDA (12)	**$ 1,213,000**	**$ 1,443,000**	**$ (230,000)**
Basic and Diluted Earnings (Loss) Per Share - Net Income	**$ 0.01**	**$ (0.05)**	
Basic Earnings Per Share - Adjusted Net Income	**$ 0.03**	**$ 0.10**	

Please see Notes below.

PRO-FORMA ADJUSTED FINANCIAL INFORMATION

(Rounded to nearest thousand except per share amounts)
Unaudited

The Pro-forma Adjusted Financial Information has been prepared to reflect the adjustments made on the previous page to the historical financial operations of the Company as if the Company had gone public on January 1, 2009.

	For the Three Months Ended September 30,		
	2010	2009	Variance
Contractual Management Fees (3)	$ 2,512,000	$ 2,661,000	$ (149,000)
Other Revenue (13), (3)	227,000	-	227,000
Base Revenues	**2,739,000**	**2,661,000**	**78,000**
Salaries and Benefits (14), (3)	808,000	706,000	102,000
General and Administration (15), (3)	528,000	260,000	268,000
Realized and Unrealized Foreign Exchange Loss (16)	46,000	46,000	-
Base Operating Expenses (17)	**1,382,000**	**1,012,000**	**370,000**
Base Operating Income	**1,357,000**	**1,649,000**	**(292,000)**
Management Fee-Related Bonus Pool (4)	(144,000)	(206,000)	62,000
Adjusted Base EBITDA (12)	**1,213,000**	**1,443,000**	**(230,000)**
Performance Fees (7)	236,000	232,000	4,000
Performance Fee-Related Bonus Pool (6)	(118,000)	(116,000)	(2,000)
Adjusted EBITDA (14)	**$ 1,331,000**	**$ 1,559,000**	**$ (228,000)**

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SELECTED FINANCIAL INFORMATION

(Rounded to nearest thousand except per share amounts)
Unaudited

	For the Nine Months Ended September 30,		
	2010	2009	Variance
Selected Income Statement Information			
Contractual Management Fees	$ 7,530,000	$ 8,386,000	$ (856,000)
Performance Fees	1,444,000	248,000	1,196,000
Other Revenue	290,000	79,000	211,000
	9,264,000	**8,713,000**	**551,000**
Salaries and Benefits	8,960,000	2,846,000	6,114,000
LTIP Expense	6,211,000	-	6,211,000
Professional and Directors' Fees	669,000	454,000	215,000
Discretionary Management Bonus	2,013,000	4,195,000	(2,182,000)
General and Administration Expense	698,000	462,000	236,000
Amortization	882,000	863,000	19,000
Realized and Unrealized Foreign Exchange Loss	38,000	147,000	(109,000)
Other Income	(215,000)	-	(215,000)
	19,256,000	**8,967,000**	**10,289,000**
(Loss) before Income Taxes	(9,992,000)	(254,000)	(9,738,000)
Income Tax (Recovery) Expense	(1,017,000)	66,000	(1,083,000)
Net and Comprehensive (Loss) for the Period	**$ (8,975,000)**	**$ (320,000)**	**$ (8,655,000)**

Selected Adjusted Financial Information

	For the Nine Months Ended September 30,		
	2010	2009	Variance
Net and Comprehensive (Loss) for the Period	**$ (8,975,000)**	**$ (320,000)**	**$ (8,655,000)**
Adjustments:			
Discretionary Management Bonus (1)	2,013,000	4,195,000	(2,182,000)
Discretionary Employee Compensation (2)	958,000	674,000	284,000
Non-Recurring and Non-Cash Items, Net (3)	11,616,000	21,000	11,595,000
Management Fee-Related Bonus Pool (4)	(350,000)	(656,000)	306,000
Performance Fee-Related Bonus Pool (5)	(604,000)	(124,000)	(480,000)
Total Adjustments	13,633,000	4,110,000	9,523,000
Net and Comprehensive Income After Adjustments	4,658,000	3,790,000	868,000
Tax Effect of Adjustments - Expense (6)	2,663,000	1,356,000	1,307,000
Adjusted Net Income (7)	**1,995,000**	**2,434,000**	**(439,000)**
Amortization (8)	882,000	863,000	19,000
Income Tax Expense (6)	1,646,000	1,422,000	224,000
Adjusted EBITDA (9)	**4,523,000**	**4,719,000**	**(196,000)**
Performance Fees (10)	(1,444,000)	(248,000)	(1,196,000)
Performance Fee-Related Bonus Pool (11)	722,000	124,000	598,000
Adjusted Base EBITDA (12)	**$ 3,801,000**	**$ 4,595,000**	**$ (794,000)**
Basic and Diluted (Loss) Per Share - Net Income	**$ (0.72)**	**$ (0.04)**	
Basic Earnings Per Share - Adjusted Net Income	**$ 0.16**	**$ 0.31**	

Please see Notes on next page.

PRO FORMA ADJUSTED FINANCIAL INFORMATION

(Rounded to nearest thousand except per share amounts)
Unaudited

The Pro-forma Adjusted Financial Information has been prepared to reflect the adjustments made on the previous page to the historical financial operations of the Company as if the Company had gone public on January 1, 2009.

	For the Nine Months Ended September 30,		
	2010	2009	Variance
Contractual Management Fees (3)	$ 7,530,000	$ 8,314,000	$ (784,000)
Other Revenue (13), (3)	290,000	(1,000)	291,000
Base Revenues	**7,820,000**	**8,313,000**	**(493,000)**
Salaries and Benefits (14), (3)	2,308,000	2,094,000	214,000
General and Administration (15), (3)	1,132,000	821,000	311,000
Realized and Unrealized Foreign Exchange Loss (16)	38,000	147,000	(109,000)
Base Operating Expenses (17)	**3,478,000**	**3,062,000**	**416,000**
Base Operating Income	**4,342,000**	**5,251,000**	**(909,000)**
Management Fee-Related Bonus Pool (4)	(541,000)	(656,000)	115,000
Adjusted Base EBITDA (12)	**3,801,000**	**4,595,000**	**(794,000)**
Performance Fees (7)	1,444,000	248,000	1,196,000
Performance Fee-Related Bonus Pool (6)	(722,000)	(124,000)	(598,000)
Adjusted EBITDA (14)	**$ 4,523,000**	**$ 4,719,000**	**$ (196,000)**

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1. Discretionary Management Bonus is compensation paid to shareholders of the Company prior to the Company going public. The third quarter is the first full quarter of being a public company and Discretionary Management Bonus amounts are no longer paid or payable.

2. Discretionary Employee Compensation includes discretionary bonus payments to employees of the Company prior to the Company going public. The third quarter is the first full quarter of being a public company and no further adjustments are required for Discretionary Employee Compensation since all bonus payments and accruals are based on the new Compensation policy which was adopted on the closing of the IPO.
3. Non-Recurring and Non-Cash Items consist of the following: Contractual Management Fees received for funds created prior to January, 1, 2000 which were transferred to related parties concurrently with the Company going public, the gain on sale of MOD Developments Inc., the sale of non-core assets, compensation related to common shares gifted to employees for past service, the fair value estimate of potential LTIP payments related to Performance Fees to be earned in the future, and IPO expenses that can't be capitalized under IFRS.

	For the three months ended September 30		For the nine months ended September 30	
Breakdown of Non-Recurring and Non-Cash Items, Net	2010	2009	2010	2009
Contractual Management Fees from pre-2000 Funds	$ 26,000	$ (20,000)	$ -	$ (72,000)
Other Income - MOD Developments Inc.	-	(60,000)	(139,000)	(80,000)
Other Income - Sale of Investment	-	-	(76,000)	-
Salaries and Benefits related to Shares Gifted to Employees for Past Service	-	-	5,041,000	-
Salaries and Benefits related to Stock Option Compensation	209,000	-	344,000	-
LTIP Expense Accrual	373,000	-	6,211,000	-
Salaries and Benefits related to MOD Developments Inc.	-	102,000	-	153,000
General and Administration for MOD Developments Inc.	-	15,000	-	20,000
Non-Capitalized IPO Expenses	142,000	-	235,000	-
	$ 750,000	**$ 37,000**	**$ 11,616,000**	**$ 21,000**

4. Subsequent to going public, 12.5% of Contractual Management Fees and Other Revenue, net of operating expenses, are allocated to the Employee Bonus Pool. Historical information has been adjusted to reflect this arrangement. The third quarter is the first full quarter of being a public company and $144,000 has been accrued under the terms of the new Compensation policy and therefore does not require an adjustment. The Management Fee-Related Bonus Pool amounts to $541,000 which consists of (i) the year to date 2010 adjustment of $350,000 which reflects the adjustment to May 19th, 2010, and (ii) the May 20th, 2010 to September 30th, 2010 accrual of $191,000.

5. Adjustment related to pre-IPO Performance Fee Related Bonus Plan. The third quarter is the first full quarter of being a public company and amounts accrued in the books are under the new Compensation policy and therefore does not require a manual adjustment for the quarter.

6. Income Tax (Recovery) Expense has been adjusted to reflect the impact of the pro-forma adjustments.

7. Adjusted Net Income is not a recognized measure under IFRS - See non-IFRS Financial Measures.

8. Amortization expense relates mainly to Placement Agent Fees, Performance Fee Rights, and a minor amount for furniture, equipment and leaseholds. Placement fees paid to placement agents for US Funds VII and IX and Canadian Fund X have been recognized as Intangible Assets on the Balance Sheet and are being amortized over the term of the fund, specifically eight years. Common stock issued to former shareholders of the Company to transfer the performance fee rights of all funds have been recognized as Performance Fee Right Intangibles and amortized over the life of the fund including the extension periods.

9. Adjusted EBITDA refers to Adjusted Base EBITDA plus Performance Fees earned less a 50% Performance Fee-Related Bonus Pool. Adjusted EBITDA is not a recognized measure under IFRS - See non-IFRS Financial Measures.

10. Performance Fees are earned from funds based on specified formulas within their respective Limited Partnership Agreement once distributions exceed full return of capital and predetermined preferred return.

11. Subsequent to going public, 50% of Performance Fees will be allocated to the Employee Bonus Pool. Historical information has been adjusted to reflect this arrangement.

12. Adjusted Base EBITDA refers to EBITDA (Earnings before Interest Expense, Income Taxes, Depreciation and Amortization) adjusted for Performance Fees, the Performance Fee-Related Bonus Pool, Discretionary Management Bonuses and Non-Recurring items of the business; employee bonuses are also removed and replaced with a 12.5% Management Fee-Related Bonus Pool. This measure is intended to provide a stable business performance metric over time. Adjusted Base EBITDA is not a recognized measure under IFRS - See Non-IFRS Financial Measures.

13. Other Revenue consists of interest earned and investment income from investments in associates.

14. Salaries and Benefits include annual employee bonus amounts and have been adjusted for Discretionary Employee Compensation as follows: Q3 2010 - $0; Q3 2009 - $213,000; YTD 2010 - $958,000; YTD 2009 - $674,000.

15. General and Administration expenses include Professional and Directors' Fees as well as general office and overhead expenses.

16. Realized and Unrealized Foreign Exchange Losses relate to the conversion of the United States subsidiary dollar balances to Canadian equivalent dollars and actual realized foreign exchange. These amounts have not been adjusted to reflect the impact of the pro-forma adjustments.

17. Base Operating Expenses exclude the Discretionary Management Bonus amounts to shareholders of: Q3 2010 - $0; Q3 2009 - $1,805,000; YTD 2010 - $2,013,000; YTD 2009 - $4,195,000. See Note (2) above.

Financial Results

For the Three Months Ended September 30, 2010 ("Q3 2010") compared to the Three Months Ended September 30, 2009 ("Q3 2009")

AUM as at September 30, 2010 amounted to $876,984,000, a decrease of $101,548,000 over the quarter, primarily as a result of (i) distributions made to TCC VI limited partners and to investors in certain Canadian syndicated investments and the subsequent distribution of proceeds to investors, (ii) the removal of TCC V's outstanding capital from AUM given that management fees are not currently being earned and the recent decision of the provider of the fund's working capital line to no longer support the remaining projects in the fund (it should be noted that the Company stopped recognizing Management Fee income from this fund in Q4 of 2008); and (iii) a change in the foreign exchange conversion rates, from CA$1.10 to CA$1.029, the rate in effect at the balance sheet date, for each US$1.00 on U.S. AUM. The Company has no existing or future commitments or obligations to the TCC V fund. During the quarter we continued to seek suitable investments for the uncommitted capital in US distressed fund Tricon IX and Canadian fund Tricon X, as well as managing existing investments in predecessor funds. Given the volatility experienced in the residential real estate industry and capital markets after the late 2008 financial crisis and the resultant global recession, we have limited our activity in Canada to prime development sites within our target markets. In the United States we have concentrated on pursuing distressed investment opportunities. Please see Fund Information section below for AUM chart and fund details.

Under IFRS, the Company is required to estimate potential amounts payable pursuant under the Company's Long-Term Incentive Plan based on the estimated fair value of assets within funds managed by the Company at each reporting period, resulting in an expense during the period of $373,000. It should be noted that the LTIP payments will only be made when and if the corresponding Performance Fees are earned in the future. This requirement to accrue the $373,000 of potential LTIP payments to employees without recognizing the income that would have been earned by the Company to make those payments reduced the Net and Comprehensive Income for the quarter ended September 30, 2010 to $115,000 (Q3 2009 loss of – ($411,000)). Adjusted Net Income for the quarter ended September 30, 2010 was $633,000 compared to Adjusted Net Income for Q3 2009 of $750,000. In management's opinion, these expenses are neither indicative of the Company's current performance nor its future prospects.

Base Revenues, consisting of Contractual Management Fees and Other Revenue (but excluding Performance Fees) decreased by $28,000 from Q3 2009 to Q3 2010. The reduction in Q3 2010 Contractual Management Fees of $195,000 was the result of a weaker US dollar during the period and marginally reduced Contractual Management Fees as a result of slightly lower AUM. Revenues decreased by approximately $85,000 as a result of unfavorable changes in exchange rates on the conversion of U.S. Contractual Management Fees to Canadian dollars. Note that this exposure is limited and that US Contractual Management Fees will be retained and invested in future U.S. funds. The Company translates all components of the United States subsidiary Income Statement at the average foreign exchange rate in effect for the period; United States Contractual Management Fees for Q3 2010 were converted at CA$1.0391 for each US$1.00 compared to a Q3 2009 conversion rate of CA$1.0972 for each US$1.00. Contractual Management Fees for TCC VI and Canadian syndicated investments were lower by $110,000 as a result of lower AUM as discussed above; this reduction was partially offset by interest earned on the Public Offering proceeds of $222,000. After adjusting for Contractual Management Fees from funds created prior to January 2000 and the gain on sale of MOD Developments Inc., Base Revenues increased by $78,000.

The Contractual Management Fee for Q3 2010 from TCC V of $170,000 was not recognized as revenue, as management does not believe that future economic benefit would flow to the Company. This same treatment was accorded to TCC V fees in Q3 2009.

Performance Fees in Q3 2010 amounted to $236,000 compared to $232,000 in Q3 2009, as a result of distributions from two Canadian syndicated investments.

Total Expenses decreased from $3,433,000 in Q3 2009 to $2,672,000 in Q3 2010, or by $761,000. However, on a normalized basis, the expenses increased by $370,000 once the adjustments described in the "Selected Financial Information" section of this MD&A are taken into account. Please see detailed analysis by expense category below.

Salaries and Benefits over the same period increased by $283,000; however, when Salaries and Benefits are adjusted for Non-Recurring items, the increase amounts to $102,000 or 14.5%. This increase was a result of the addition of an administrative staff member, combined with normal increases to base salaries in Q3 2010. There were no changes to senior management or investment personnel during the period.

Under IFRS, LTIP expense potentially payable to employees on future Performance Fees must be accrued at fair market value. Payments under the Company's long-term incentive plan (LTIP), which are paid to participants of the plan only if and when performance fees are generated from funds under management, are based on 50% of performance fees earned by the Company. Each fund expected to pay future Performance Fees was present valued using a discounted cash flow methodology and compared against current net partners' capital and preferred return to determine fund fair value. The difference is then split between the investor and manager as defined within each fund's distribution waterfall within the Limited Partnership Agreement. This generated an additional LTIP accrual of $373,000 which will be decreased by actual payments to employees and adjusted to fair value each quarter. Note that the corresponding revenue which would need to be realized before any such amount becomes payable is not recognized under IFRS revenue recognition rules.

General and Administrative expenses, including Professional and Directors' Fees, increased by $370,000 between Q3 2009 and Q3 2010, a result of Non-Recurring IPO expenses in the quarter of $142,000, additional professional service fees of $60,000, placement fees for recruitment services of $53,000, Directors' fees of $54,000, Directors and Officers liability insurance of $24,000 and minor changes to other items. Foreign exchange rate fluctuations during the period resulted in a foreign exchange loss for Q3 2010 of $46,000 similar to the foreign exchange loss in Q3 2009 of $46,000.

Amortization expense, which reflects amortization of fixed assets, placement agent fees, and performance fee rights, increased by $18,000 from Q3 2009. Payments made to Canadian and United States placement agents for the raising of capital in the United States for TCC VII and Tricon IX and in Canada for Tricon X are capitalized as Placement Fee Intangibles and amortized over the life of the funds, in this case eight years. No additional payments were made for Placement Fees in Q3 2010 or Q3 2009. The value of Common Stock issued to the founding shareholders (as disclosed in the Prospectus) to transfer the performance fee rights of all the funds of $707,000 was recorded as Performance Fee Right Intangibles and amortized over the life of the fund including extension period, resulting in the increase in Amortization expense.

To more meaningfully reflect the Company's performance, a number of normalization adjustments to Net Income were made and are discussed below. Total Expenses of $2,672,000 less Amortization of $304,000 amounted to $2,368,000 for Q3 2010. This net expense was adjusted by: (a) $0 for Discretionary Management Bonuses and Discretionary Employee Compensation since this is the first full quarter as a public company and all amounts booked correspond to the new Compensation policy adopted as described in the Prospectus, (b) $724,000 of adjustments for Non-Recurring and Non-Cash Items; such as LTIP accrual required under IFRS on future Performance Fees potentially payable to employees (note: IFRS accounting procedures preclude the recognition of the related revenue), IPO expenses incurred that can't be capitalized and stock option expense related to employee options granted, and (c) actual LTIP accrued of $118,000 and the 12.5% Management Fee-Related Bonus Pool accrued of $144,000 since these items are not part of Base Operating Expenses, resulting in Base Operating Expenses of $1,382,000. For Q3 2009, Total Expenses of $3,433,000 less Amortization of $286,000 amounted to $3,147,000. This net expense was adjusted by: (a) $2,018,000 for Discretionary Management Bonuses and Discretionary Employee Compensation, (b) $117,000 of adjustments for Non-Recurring and Non-Cash Items such as Salaries and Benefits, and General and Administrative Expenses of a subsidiary sold to a third party at January 1, 2010, resulting in Base Operating Expenses of $1,012,000. Please refer to the Selected Financial Information and the Pro-Forma Adjusted Financial Information in the MD&A.

Similar to Adjusted Net Income, the EBITDA performance metric was adjusted for Discretionary Management Bonuses and compensation payments, as well as the Non-Recurring and Non-Cash Items mentioned in the above paragraph, producing an Adjusted Base EBITDA and Adjusted EBITDA amount. Adjusted Base EBITDA for Q3 2010 amounted to $1,213,000 compared to $1,443,000 for Q3 2009, a decrease of $230,000 due mainly to lower foreign exchange rates on US revenues (discussed below), slightly lower Contractual Management Fees, and higher Base Operating Expenses. Similarly, Adjusted EBITDA decreased by $228,000 over the prior year quarter since Performance Fees generated from Canadian projects were comparable in both quarters.

The Pro Forma Adjusted Financial Information presented above has not been adjusted for bonus payouts this quarter. This is our first full quarter as a public company and accordingly, all bonus payments and accruals are based on the new Compensation policy which was adopted on closing of the IPO. There are two types of bonus payments in effect: (i) a 12.5% Management Fee-Related Employee Bonus Pool and (ii) a 50% Performance Fee-Related Employee Bonus Pool. The Management Fee-Related Employee Bonus Pool is calculated as 12.5% of Contractual Management Fees plus investment income from warehoused investments and direct investments, if any, less the Base Operating Expenses of Salaries and Benefits, General and Administration expenses, and Realized/Unrealized Foreign Exchange (Gains) Losses. Investment Income earned from funds or syndicated investments will not be included in the calculation of the Management Fee-Related Bonus Pool. The Performance Fee-Related Bonus Pool is calculated as 50% of Performance Fees earned.

For the Nine Months Ended September 30, 2010 ("YTD 2010") compared to the Nine Months Ended September 30, 2009 ("YTD 2009")

AUM as at September 30, 2010 amounted to $876,984,000, a decrease of $124,016,000 over the period, primarily as a result of (i) distributions made to TCC VI limited partners and to investors in certain Canadian syndicated investments and the subsequent distribution of proceeds to investors, (ii) the removal of TCC V's outstanding capital from AUM given that management fees are not currently being earned and the recent decision of the provider of the fund's working capital line to no longer support the remaining projects in the fund (it should be noted that the Company stopped recognizing Management Fee income from this fund in Q4 of 2008); and (iii) a change in the foreign exchange conversion rates, from CA$1.10 to CA$1.029, the rate in effect at the balance sheet date, for each US$1.00 on U.S. AUM. The Company has no existing or future commitments or obligations to the TCC V fund. During the period we continued to seek suitable investments for the uncommitted capital in Tricon IX and X and managing existing investments in predecessor funds. Given the volatility experienced in the residential real estate industry and capital markets after the late 2008 financial crisis and the resultant global recession, we have limited our activity in Canada to prime development sites within our target markets. In the United States we have concentrated on pursuing distressed investment opportunities. Please see "Fund Information" section below for AUM chart and fund details.

Prior to going public, the Company gifted 840,221 common shares to employees (as disclosed in the Prospectus) resulting in an expense of $5,041,000. Also, under IFRS the Company is required to estimate amounts payable pursuant to the Company's Long-Term Incentive Plan based on the estimated fair value of assets within funds managed by the Company at each reporting period, resulting in an expense during the period of $6,211,000. It should be noted that the LTIP payments will only be made when and if the corresponding Performance Fees are earned in the future. This requirement to accrue the $6,211,000 of potential LTIP payments to employees without recognizing the income that would have been earned by the Company to make those payments, combined with the gifted common share compensation expense were the primary drivers in the Net and Comprehensive Loss for the nine months ended September 30, 2010 of $8,975,000 being significantly greater than the 2009 loss of $320,000.

In management's opinion, these expenses are neither indicative of the Company's current performance nor its future prospects as the gifted shares were a one time event concurrent with going public, and the initial LTIP obligation recognition is far greater than the fair value adjustments that are expected to occur going forward from period to period.

Base Revenues, consisting of Contractual Management Fees and Other Revenue (but excluding Performance Fees) decreased by $645,000 from YTD 2009 to YTD 2010. The reduction in YTD 2010 Contractual Management Fees of $856,000 was the result of a weaker US dollar during the period and lower Contractual Management Fees from slightly lower AUM. Revenues decreased by approximately $598,000 were the result of unfavorable fluctuations in the U.S. dollar/Canadian dollar exchange rates. Note that this exposure is limited and that U.S. dollar Contractual Management Fees will be retained and invested in future U.S. funds. The United States subsidiary converts all components of the Income Statement at the average foreign exchange rate in effect for the period; United States Contractual Management Fees for YTD 2010 were converted at CA$1.0359 for each US$1.00 compared to a YTD 2009 conversion rate of CA$1.1700 for each US$1.00. Contractual Management Fees for TCC VI and Canadian syndicated investments were lower by $258,000 as a result of lower AUM as discussed above. This loss was partially offset in Other Revenue by interest earned on the Public Offering proceeds of $279,000. After adjusting for Contractual Management Fees from funds created prior to January 2000 and the gain on sale of MOD Developments Inc., Base Revenues decreased by $493,000.

The Contractual Management Fee for YTD 2010 from TCC V of $526,000 was not recognized as revenue, as management does not believe that future economic benefits will flow to the Company. This same treatment was accorded to TCC V fees in YTD 2009.

Performance Fees in YTD 2010 amounted to $1,444,000 compared to $248,000 in YTD 2009, as a result of distributions from three Canadian syndicated investments.

Total Expenses increased from $8,967,000 in YTD 2009 to $19,256,000 in YTD 2010, or by $10,289,000. However, once the adjustments described in the "Selected Financial Information" section are taken into consideration the actual increase in expenses is $416,000 or 13.6%. Please see detailed analysis by expense category below.

Salaries and Benefits over the same period increased by $6,114,000; however, when Salaries and Benefits are adjusted for Discretionary Employee Compensation payments, common shares gifted when the Company was a private company and stock options granted, the increase amounts to $214,000 or 10.2%. This increase was a result of YTD 2009 salaries being lower than normal due to a senior employee being on sabbatical leave for the first half of the year, the addition of an administrative staff member in 2010, combined with a 9.5% increase in base salaries in May 2010. There were no changes to senior management or investment personnel during the period.

Under IFRS, LTIP expense potentially payable to employees on future Performance Fees must be accrued at fair market value. Payments under the Company's long-term incentive plan (LTIP), which are paid to participants of the plan only if and when performance fees are generated from funds under management, are based on 50% of performance fees earned by the Company. Each fund expected to pay future Performance Fees was present valued using a discounted cash flow methodology and compared against current net partners' capital and preferred return to determine fund fair value. The difference is then split between the investor and manager as defined within each fund's distribution waterfall within the Limited Partnership Agreement. This generated a LTIP accrual of $6,211,000 which will be decreased by actual payments to employees and adjusted to fair value each quarter. Note that the corresponding revenue which would need to be realized before any such amount becomes payable is not yet recognized under IFRS revenue recognition rules.

General and Administrative expenses, including Professional and Directors' Fees, increased by $451,000 between YTD 2009 and YTD 2010, a result of Non-Recurring IPO expenses which can't be capitalized under IFRS of $235,000, additional professional services fees of $130,000, Directors' and Officers' liability insurance of $44,000 and Directors' fees of $88,000; these increases were offset by tight cost controls on other General and Administration expenses. Foreign exchange rate fluctuations during the period resulted in a foreign exchange loss of $38,000 for YTD 2010 compared to a foreign exchange loss in YTD 2009 of $147,000, a decrease of $109,000.

Amortization expense, which reflects amortization of fixed assets, placement agent fees, and performance fee rights, increased by $19,000 from YTD 2009. Payments made to Canadian and United States Placement Agents for the raising of capital in the United States for TCC VII and Tricon IX and in Canada for Tricon X are capitalized as Placement Fee Intangibles and amortized over the life of the funds, in this case eight years. No additional payments were made for Placement Fees in YTD 2010 or YTD 2009. The value of Common Stock issued to the founding shareholders (as disclosed in the Prospectus) to transfer the performance fee rights of all the funds of $707,000 was recorded as Performance Fee Right Intangibles and amortized over the life of the fund including the extension periods.

To more meaningfully reflect the Company's performance, a number of normalization adjustments were made to the Net and Comprehensive Loss as discussed below. Total Expenses of $19,256,000 less Amortization of $882,000 amounted to $18,374,000 for Q3 2010. This net expense was adjusted by: (a) $2,971,000 for Discretionary Management Bonus and Discretionary Employee Compensation, and (b) $11,616,000 of adjustments for Non-Recurring and Non-Cash Items such as sales of non-core assets, Salaries and Benefits for private company common shares gifted, LTIP accrual required under IFRS on future Performance Fees potentially payable to employees (note: IFRS accounting procedures preclude the recognition of the related revenue), IPO expenses that can't be capitalized and stock option expense, and (c) actual LTIP accrued of $118,000 and the 12.5% Management Fee-Related Bonus Pool accrued of $191,000 since these items are not part of Base Operating Expenses, resulting in Base Operating Expenses of $3,478,000. For YTD 2009, Total Expenses of $8,967,000 less Amortization of $863,000 amounted to $8,104,000. This net expense was adjusted by: (a) $4,869,000 for Discretionary Management Bonuses and Discretionary Employee Compensation, (b) $173,000 of adjustments for Non-Recurring and Non-Cash Items such as Salaries and Benefits, and General and Administrative Expenses of a subsidiary sold to a third party at January 1, 2010, resulting in Base Operating

Expenses of $3,062,000. Please refer to the Selected Financial Information and Pro-Forma Adjusted Financial Information in the MD&A.

Similar to Adjusted Net Income, the EBITDA performance metric was adjusted for Discretionary Management Bonuses and compensation payments, as well as the Non-Recurring and Non-Cash Items mentioned in the above paragraph, producing an Adjusted Base EBITDA and Adjusted EBITDA amount. Adjusted Base EBITDA for YTD 2010 amounted to $3,801,000 compared to $4,595,000 for YTD 2009, a decrease of $794,000 due mainly to lower foreign exchange rates on US revenues and slightly lower Contractual Management Fees (discussed below); YTD 2010 Adjusted EBITDA decreased by only $196,000 over the prior year since the foreign exchange losses and higher Salaries and Benefits and General and Administration expenses were partially offset by higher Performance Fees generated from Canadian projects.

The Pro Forma Adjusted Financial Information presented above has also been adjusted for bonus payouts. Historical bonus payments to employees and management of $2,971,000 have been removed and replaced with the new Compensation policy which was adopted on closing of the IPO. There are two types of bonus payments in effect: (i) a 12.5% Management Fee-Related Employee Bonus Pool and (ii) a 50% Performance Fee-Related Employee Bonus Pool. The Management Fee-Related Employee Bonus Pool is calculated as 12.5% of Contractual Management Fees plus investment income from warehoused investments and direct investments, if any, less the Base Operating Expenses of Salaries and Benefits, General and Administration expenses, and Realized/Unrealized Foreign Exchange (Gains) Losses. Investment Income earned from fund or syndicated investments earned will not be included in the calculation of the Management Fee-Related Bonus Pool. The Performance Fee-Related Bonus Pool is calculated as 50% of Performance Fees earned.

Controls and Procedures

Pursuant to Multilateral Instrument 52-109 released by the Canadian Securities Administrators, the Company's CEO and CFO have evaluated the design effectiveness of the Company's disclosure controls and procedures and the Company's internal control systems over financial reporting for the nine-month period ended September 30, 2010. The CEO and CFO did not identify any material weaknesses in the system of internal controls over financial reporting.

During the nine-months ended September 30, 2010, there were no changes to policies, procedures, and processes that comprise the system of internal controls over financial reporting, that may have affected, or are reasonably likely to materially affect the Company's internal control over financial reporting. However, in light of the Company's recent initial public offering, such controls and procedures are subject to continuous review and changes to such controls and procedures, management resources, and systems may be required.

Liquidity and Capital Resources

We have historically generated positive cash flow before dividends and discretionary bonuses from our business and have not needed to borrow capital other than periodic nominal amounts provided by the owners. Contractual Management Fees are expected to continue to meet ongoing working capital needs and satisfy operating expenses in the short term, including any expenditure required to maintain corporate infrastructure and information systems.

There are no off-Balance Sheet financial arrangements and no material contractual obligations. Long-term lease commitments for premises over the next 10 years are also not a material expense. The Company has a ten year sub-lease commitment on our head office premises to a related party, Mandukwe Inc., a Company owned and controlled by Geoff Matus, a director and co-founder of the Company. The annual rental amount is $43,000 plus common area maintenance costs and realty taxes. The lease expires on November 30, 2019. See "Transactions with Related Parties" below.

Transactions with Related Parties

As reported in the financial statements, there are no shareholder loan receivables. We have a 10 year sub-lease commitment on our head office premises with Mandukwe Inc, a Company owned and controlled by a co-founder and director of the Company. The annual rental amount is $43,000 plus common area maintenance costs and realty taxes. The lease expires on November 30, 2019.

Tricon acts as a trustee, manager, transfer agent and principal distributor for the various Tricon funds. These funds are Limited Partnerships and a number of the current shareholders of the Company are also currently the general partners of the funds. Certain employees of the Company also own units, directly or indirectly, in the various Tricon funds as well as shares of the Company. Tricon has made a short-term loan advance Landrex Hunter Ridge Inc which will be repaid with interest in the following quarter once the fund approves the investment. Landrex is 50% owned by a fund managed by the Company. Please refer to the Related Party Transactions and Balances note in the financial statements for further detail.

Dividends

As disclosed in the Prospectus, on April 1, 2010, an aggregate dividend of $793,000 was declared payable to the then registered shareholders of the Company, of which $773,000 was a dividend-in-kind and $20,000 was a cash dividend. The purpose of the dividend-in-kind was to remove shareholder loans and other non-core assets from the Balance Sheet.

The Company recorded its first dividend on September 30, 2010 in the amount of $1,094,000 (6 cents per share) which was paid on October 15th, 2010. On November 9th, 2010 the Board of Directors declared a dividend of 6 cents a share to shareholders of record on December 31st, 2010 and payable on January 15th, 2011.

Share Capital

Our authorized Share Capital consisted of 1,000,000 common shares at the end of Q1 2010. Prior to the closing of the IPO, a reorganization of Share Capital was undertaken to reflect the transactions outlined under the "Description of Share Capital" section in the Prospectus. After giving effect to an issuance of 13,661 common shares to the private shareholders in connection with a pre-closing reorganization, a stock split was implemented, whereby each of the common shares issued and outstanding prior to the split were converted into 7.803170883 common shares, resulting in 7,909,770 common shares outstanding following completion of the split. On May 13, 2010, an additional 679,921 common shares were issued from Treasury to two senior executives and 9 common shares were issued for the transfer of Canadian performance fee rights thereby changing total outstanding common shares to 8,589,700.

On May 19, 2010, 160,300 common shares were gifted to employees for past service. On May 20, 2010, the Public Offering, as outlined in the Prospectus dated May 14, 2010, was completed resulting in the issuance of 8,500,000 common shares. On June 17, 2010, an additional 990,871 common shares were issued on the exercise of the over-allotment option by the underwriters. Therefore, after giving effect to the transactions noted above, 18,240,871 common shares were outstanding as at September 30, 2010.

Additional stock options of 71,500, arising from the exercise of the over-allotment option by the underwriter's, were approved by the Board of Directors on August 3, 2010.

Please see the unaudited consolidated financial statements attached for further information.

Critical Accounting Estimates

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

The Company ensures that all assets are assessed for impairment at the Balance Sheet date requiring a number of estimates and assumptions to be made. Contractual Management Fees owing from TCC V were not recorded as revenue due to management's belief that no future economic benefit would flow to the Company.

The determination of which entities to consolidate in accordance with SIC – 12, Consolidation of Special Purpose Entities and IAS 27, Consolidated and Separate Financial Statements, requires analysis and judgment in respect of the individual facts and circumstances. Based on current IFRS requirements, if Tricon makes more than a nominal direct investment in a fund that it manages, the Company will be required to consolidate such fund's financial statements. In such an event, additional disclosures as required by IFRS will be included in the Company's financial statements.

The LTIP liability calculation requires the Company to fair value the estimated Performance Fees that would be paid into the Performance Fee-Related Bonus Pool based on the present day fair market value of assets within the funds managed by the Company. This requires significant estimates and assumptions regarding future cash flows and discount rates by project within the funds, as described in the "Fund Information" section below.

Risk Definition and Management

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

Credit Risk is defined as the risk that an entity will not fulfill the terms of a contract, or will fail to discharge an obligation, thereby causing a loss for the other party.

Liquidity Risk is defined as the risk that an entity will encounter difficulty in meeting financial obligations as they come due.

Market Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate because of changes in market prices. Market risk consists of three types of risk: currency risk, interest rate risk and other price risk.

Currency Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate because of changes in foreign exchange rates.

Interest Rate Risk is defined as the risk that the fair value of future cash flows associated with a financial instrument will fluctuate because changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or the issuer of the instrument, or factors affecting all similar financial instruments traded in the market.

Managing all the risk factors that the Company is exposed to, described in greater detail in the Prospectus, is a significant senior management responsibility. Risk factors related to the Company are: (i) difficult market conditions or changing real estate markets, (ii) inability to raise additional funds in a timely manner or at all, (iii) loss of key employees, (iv) limited flexibility or control over the properties that our funds invest in, (v) rapid growth in our AUM could adversely affect our investment performance, (vi) failure to execute our succession plan, (vii) competitive pressures, (viii) failure to manage risks (developer, environmental, market, financial) within each investment, (ix) employee error or misconduct, (x) failure to implement effective information security policies, procedures and capabilities, (xi) failure to maintain adequate insurance coverage, and (xii) failure to comply with government regulations.

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

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

Business Outlook

We believe that using proceeds from the Public Offering to significantly increase our co-investment in sponsored funds will enhance our fundraising capabilities and attract interest from a broader group of institutional investors. Specifically, by co-investing at least 5% of the required capital into new United States funds and 10% into new Canadian funds (Canada has a smaller institutional pool than the United States and will therefore necessitate a larger co-investment to increase fund size), we believe that we will be able to grow Assets Under Management by raising larger successor funds, which in turn, will result in increased Management Fees and increased Performance Fees should we reach predetermined return hurdles.

We are currently in the Investment Period for two funds, Tricon IX and X, and anticipate that Tricon X (a Canadian fund) will be fully invested by the end of 2010 (after taking into account reserves for guarantees and contingencies), while Tricon IX (a US fund) should be fully invested in the first quarter of 2011. We have formally commenced fundraising efforts for successor Canadian fund Tricon XII and expect to launch successor distressed US fund Tricon XI by the first quarter of 2011, in line with our previous expectations.

The Company has recently hired an additional administrative staff member and a financial analyst, and does not anticipate the need to significantly increase the number of employees in the short term. As a listed issuer, additional expenditures will be required as a result of increased regulatory and accounting requirements and technological equipment and back-office systems may need to be upgraded. As the Company grows in the future, additional investment professionals and administrative staff may be required to manage the business which in turn would increase future Salaries and Benefits, and General and Administration expenditures. Managing the costs of a growing Company will be integral to meeting our financial projections and achieving success as a public company.

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Fund Information

AUM is a critical measurement in determining Contractual Management Fees earned by the Company. A summary of AUM by fund is presented below:

(in Canadian dollars unless otherwise noted)

				Fund Capitalization		Assets Under Management [3]		
						(Canadian Equivalent) [2]		
Fund	Fund Currency	Initial Close	Investment Period End	Fund Currency [1]	Canadian Equivalent [2]	September 30, 2010	December 31, 2009	September 30, 2009
TCC V	US	January-2000	June-2004	$ 52,500,000	$ 55,125,000	$ -	$ 41,411,000	$ 40,582,000
TCC VI	CA	June-2004	March-2007	95,702,500	95,702,500	71,131,000	95,703,000	95,580,000
TCC VII	US	September-2004	March-2007	247,200,000	259,560,000	235,396,000	255,581,000	253,353,000
Tricon VIII	CA	October-2005	June-2008	101,124,000	101,124,000	101,124,000	101,124,000	101,124,000
Tricon IX	US	May-2007	January-2012	331,775,000	348,363,750	341,397,000	364,953,000	364,953,000
Tricon X	CA	April-2008	April-2011	85,362,000	85,362,000	85,362,000	85,362,000	85,362,000
Syndicated Investments	US		--	14,900,000	15,645,000	15,332,000	16,390,000	16,390,000
Syndicated Investments	CA		--	65,606,000	65,606,000	27,242,000	40,476,000	45,476,000
Total Assets Under Management						**$ 876,984,000**	**$ 1,001,000,000**	**$ 1,002,820,000**
Contractual Management Fees [4]								
Year-to-date						$ 7,530,000	$ 11,017,000	$ 8,386,000
Annualized Weighted Average Fee % [5]								
Year-to-date						1.14%	1.10%	1.11%

Notes:

1. Fund capitalization does not include syndicated investments.
2. Foreign exchange rate used is CA$1.029 per US$1.00.
3. During the investment period, Assets Under Management equals the Fund Capitalization. After the investment period, Assets Under Management represents the lesser of: (a) fund capital commitment, and (b) net partners' capital plus unpaid preferred return on capital (either 9% or 10% per annum).
4. Contractual management fees are typically earned over a 5-6 year period and get progressively lower as capital and preferred return are repaid. No fees are being earned for TCC V and only 50% of fees are being earned for TCC VII (the Manager voluntarily reduced fees as a result of the impact of the U.S. economic crisis).
5. Contractual Management Fees are annualized and divided by Assets under Management in fund currency.

Projected fund cash flows determine the Performance Fees to be earned in the future. The information shown below is only for funds expected to generate Performance Fees. These future estimates are based on information gathered from our developers, detailed in-house market research and management judgments. These amounts are our best estimates in the current economic environment and are reviewed and revised on a quarterly basis.

Fund projections for Tricon IX and X are currently not indicative of expected results since the funds have not been fully deployed. All amounts are based on actual current project commitments for the life of the fund and do not include any assumptions for the balance of funds to be invested. During Q3 2010, additional commitments to new projects were made in Tricon X in the amount of CA$7,500,000 and an subordinated loan previously approved was reassessed and cancelled. Fund capital available for Tricon IX and Tricon X after taking into consideration fund reserves and contingencies required is US$77,000,000 and CA$21,000,000 respectively.

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Data for Funds Expected to Pay Performance Fees

(in Fund currency)

Fund	Fund Currency	Fund Capitalization	Project Commitments [1]	Fund Capital Available [2]	Actual and Projected Gross Cashflow [3] Total	Realized	Unrealized	Projected Net Cashflow [4]
Tricon VIII	CA	$ 101,124,000	$ 102,997,000	$ -	$ 184,021,000	$ 47,266,000	$ 136,755,000	$ 98,377,000
Tricon IX	US	331,775,000	223,150,000	77,000,000	358,377,000	12,607,000	345,770,000	143,145,000
Tricon X	CA	85,362,000	69,657,000	21,000,000	97,883,000	18,712,000	79,171,000	40,077,000
Syndicated Investments [5]	CA	65,606,000	65,606,000	-	98,928,000	35,577,000	63,351,000	53,665,000

Notes:

All amounts shown above exclude syndicated investment amounts unless noted otherwise.

n/m = non-meaningful

1. Fund commitments to projects, including guarantees made under loan agreements.
2. Capital available, after operating reserves and project contingencies, for new investments.
3. Actual and projected gross cashflows over the life of the fund.
4. Actual and projected net cashflows before fund expenses, management fees and performance fees over the life of the fund. Total fund expenses have historically been 1% of fund capitalization. Projected Net Cashflow is derived by subtracting the actual investment amount from Actual and Projected Gross Cashflow. Investment amount does not necessarily equal Project Commitments.
5. NAV and cashflow information for syndicated investments are only for current active projects.

Fund IRR's and ROI's shown below are based on cash flows projected over the life of the fund. Net ROI and IRR have not been calculated for Tricon IX and X since investor capital has not been fully invested.

Fund	Projected Gross ROI	Gross IRR	Net ROI	Net IRR
Tricon VIII	2.15x	19%	1.69x	15%
Tricon IX	1.67x	15%	n/a [1]	n/a [1]
Tricon X	1.69x	20%	n/a [1]	n/a [1]
Syndicated Investments	2.19x	17%	1.92x	14%

Notes:

1. Net ROI and IRR have not been calculated for Tricon IX and Tricon X since investor capital has not been fully invested. All amounts are based on actual current project commitments and do not include any assumptions for the balance of the funds to be invested.

The geographic and product breakdown of the funds expected to pay Performance Fees are as follows:

(Dollars in fund currency)

Fund	Fund Currency	Project Commitments [1]	Geographic Breakdown (By Project Commitments) Phoenix	N California	S California	Atlanta	Florida	Vancouver	Edmonton	Toronto
Tricon VIII	CA	$ 102,997,000						8%	16%	75%
Tricon IX	US	223,150,000	23%	30%	16%	17%	14%			
Tricon X	CA	69,657,000							11%	89%

Notes:

1. Fund commitments to projects, include guarantees made under loan agreements.

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Product Breakdown Total Unit/Lot Breakdown	Multi-Family Units	Single-Family Lots	Land (Arces)	Houses	Retail (SF)
Tricon VIII	2,591	1,975	50	0	58,899
Tricon IX	59	3,895	0	156	8,998
Tricon X	493	437	320	0	25,282
Total	**3,143**	**6,307**	**370**	**156**	**93,179**

Product Breakdown Total Unit/Lot Breakdown Sold	Multi-Family Units	Single-Family Lots	Land (Acres)	Houses	Retail (SF)
Tricon VIII	2,314	263	0	0	18,354
Tricon IX	11	198	0	115	0
Tricon X	303	95	0	0	0
Total	**2,628**	**556**	**0**	**115**	**18,354**

Notes: Lots include finished, partially finished and undeveloped lots. All projects where Tricon has exited its investment are shown as 100% sold.