TRICON CAPITAL GROUP INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2011 AND 2010

Tricon Capital Group Inc.

Interim Consolidated Balance Sheets
(Unaudited)

(rounded to the nearest thousands of dollars, except per share amounts)

	September 30, 2011	December 31, 2010
Assets		
Current Assets		
Cash and cash equivalents (note 3)	$ 19,412,000	$ 19,683,000
Short term investments (note 3)	15,214,000	31,156,000
Accounts receivable (note 10)	2,792,000	920,000
Prepaid expenses and other assets	148,000	83,000
Income taxes recoverable	116,000	-
	37,682,000	51,842,000
Non-current assets		
Investments in associates (note 13)	7,809,000	35,000
Long-term investment (note 12)	6,832,000	-
Intangible assets (note 4)	3,065,000	3,929,000
Office equipment and leasehold improvements (note 5)	168,000	202,000
Deferred income tax assets (note 9)	3,056,000	2,889,000
Total assets	$ 58,612,000	$ 58,897,000
Liabilities		
Current liabilities		
Accounts payable and accruals (notes 6 and 10)	$ 1,353,000	$ 855,000
Long-term incentive plan accrual - current portion (notes 10 and 21)	43,000	177,000
Dividends payable (notes 10 and 15)	1,094,000	1,094,000
Income taxes payable	85,000	580,000
	2,575,000	2,706,000
Non-current liabilities		
Deferred income tax liabilities (note 9)	794,000	1,059,000
Long-term incentive plan accrual - non-current portion (notes 10 and 21)	8,524,000	5,871,000
	11,893,000	9,636,000
Equity		
Share capital (note 8)	57,934,000	57,934,000
Contributed surplus	1,006,000	555,000
Deficit	(12,221,000)	(9,228,000)
Total equity	46,719,000	49,261,000
Total liabilities and equity	$ 58,612,000	$ 58,897,000

Approved by the Board of Directors

____________________ ____________________ ____________________

The accompanying notes are an integral part of these interim consolidated financial statements

Tricon Capital Group Inc.

Interim Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

(rounded to the nearest thousands of dollars, except per share amounts)

	For the Nine Months Ended	
	September 30, 2011	September 30, 2010
Revenue		
Contractual management fees (note 10)	$ 6,817,000	$ 7,530,000
General partner distributions (note 10)	614,000	-
Performance fees (note 10)	311,000	1,444,000
Income (loss) from partnerships (notes 10 and 13)	(143,000)	7,000
Other revenue (note 24)	491,000	283,000
	8,090,000	9,264,000
Expenses		
Salaries and benefits expense (notes 10 and 20)	3,276,000	3,575,000
Gifted shares (notes 8, 10 and 20)	-	5,041,000
Stock option expense (notes 10 and 20)	451,000	344,000
Long-term incentive plan (notes 10 and 21)	2,675,000	6,211,000
Professional and directors fees expense (notes 10 and 20)	772,000	669,000
Formation costs	564,000	-
Discretionary management bonus expense (note 10)	-	2,013,000
General and administration expense (note 16)	579,000	698,000
Amortization expense (notes 4 and 5)	963,000	882,000
Realized and unrealized foreign exchange (gain) loss	(816,000)	38,000
Other income (note 19)	-	(215,000)
	8,464,000	19,256,000
Loss before non-controlling interest and income taxes	**(374,000)**	**(9,992,000)**
Non-controlling interest fair value change (note 23)	931,000	-
Income (loss) before income taxes	**557,000**	**(9,992,000)**
Income tax expense (recovery) (note 9)	268,000	(1,017,000)
Net and comprehensive income (loss)	**$ 289,000**	**$ (8,975,000)**
Basic and diluted income (loss) per share (note 14)	**$ 0.02**	**$ (0.72)**

The accompanying notes are an integral part of these interim consolidated financial statements

Tricon Capital Group Inc.

Interim Consolidated Statements of Comprehensive Income
(Unaudited)

(rounded to the nearest thousands of dollars, except per share amounts)

	For the Three Months Ended	
	September 30, 2011	September 30, 2010
Revenue		
Contractual management fees (note 10)	$ 2,257,000	$ 2,486,000
General partner distributions (note 10)	541,000	-
Performance fees (note 10)	5,000	236,000
Income (loss) from partnerships (notes 10 and 13)	(143,000)	4,000
Other revenue (note 24)	119,000	223,000
	2,779,000	2,949,000
Expenses		
Salaries and benefits expense (notes 10 and 20)	1,210,000	1,070,000
Gifted shares (notes 8, 10 and 20)	-	-
Stock option expense (notes 10 and 20)	100,000	209,000
Long-term incentive plan (notes 10 and 21)	543,000	373,000
Professional and director's fees expense (notes 10 and 20)	170,000	314,000
Formation costs	62,000	-
Discretionary management bonus expense (note 10)	-	-
General and administration expense (note 16)	221,000	356,000
Amortization expense (notes 4 and 5)	351,000	304,000
Realized and unrealized foreign exchange (gain) loss	(1,216,000)	46,000
	1,441,000	2,672,000
Income before non-controlling interest and income taxes	**1,338,000**	**277,000**
Non-controlling interest fair value change (note 23)	-	-
Income before income taxes	**1,338,000**	**277,000**
Income tax expense (note 9)	345,000	162,000
Net and comprehensive income for the period	**$ 993,000**	**$ 115,000**
Basic and diluted net income per share (note 14)	**$ 0.05**	**$ 0.01**

The accompanying notes are an integral part of these interim consolidated financial statements

Tricon Capital Group Inc.

Interim Consolidated Statements of Changes in Equity
(Unaudited)

(rounded to the nearest thousands of dollars, except per share amounts)

	Share Capital	Contributed Surplus	Retained Earnings (Deficit)	Total Equity
Balance at January 1, 2010	$ 1,000	$ -	$ 2,222,000	$ 2,223,000
Net and comprehensive loss for the period	-	-	(8,975,000)	(8,975,000)
Dividends			(1,887,000)	(1,887,000)
Issuance of common shares (note 8)	62,694,000			62,694,000
Equity issuance costs-net of income taxes of $1,744,000	(4,740,000)	-	-	(4,740,000)
Stock option expense (note 20)	-	344,000	-	344,000
Balance at September 30, 2010	57,955,000	344,000	(8,640,000)	49,659,000
Net and comprehensive income for the period	-	-	506,000	506,000
Dividends (note 10 and 15)	-	-	(1,094,000)	(1,094,000)
Issuance of common shares (note 8)	-	-	-	-
Equity issuance costs-net of income taxes of $8,000	(21,000)	-	-	(21,000)
Stock option expense (note 20)	-	211,000	-	211,000
Balance at December 31, 2010	57,934,000	555,000	(9,228,000)	49,261,000
Net and comprehensive income for the period	-	-	289,000	289,000
Dividends (note 10 and 15)	-	-	(3,282,000)	(3,282,000)
Stock option expense (note 20)	-	451,000	-	451,000
Balance at September 30, 2011	$ 57,934,000	$ 1,006,000	$ (12,221,000)	$ 46,719,000

The accompanying notes are an integral part of these interim consolidated financial statements.

Tricon Capital Group Inc.

Interim Consolidated Statements of Cash Flows
(Unaudited)

(rounded to the nearest thousands of dollars, except per share amounts)

	For the Nine Months Ended	
	September 30, 2011	September 30, 2010
Cash provided by (used in)		
Operating activities		
Net and comprehensive income (loss) for the period	$ 289,000	$ (8,975,000)
Adjustments for		
Non-controlling interest (note 23)	(931,000)	-
Amortization	963,000	882,000
Deferred income taxes (note 9)	(432,000)	(1,328,000)
Long-term incentive plan (net of payments of $156,000)	2,519,000	6,211,000
Gifted shares expense	-	5,041,000
Stock option expense	451,000	344,000
Gain on disposal of investment in real estate (note 19)	-	(76,000)
Gain on disposal of MOD Developments Inc. (note 19)	-	(139,000)
Accrued interest	(343,000)	-
Loss from partnerships (notes 10 and 13)	143,000	(7,000)
Other	-	(6,000)
	2,659,000	1,947,000
Changes in non-cash working capital items		
Accounts receivable	(941,000)	(614,000)
Income tax recoverable	(116,000)	(82,000)
Prepaid expenses and other assets	(65,000)	1,000
Accounts payable and accruals	498,000	(1,006,000)
Income taxes payable	(495,000)	-
	1,540,000	246,000
Investing activities		
Purchase of office equipment	(20,000)	(62,000)
Purchase of short term investments	(5,000,000)	(35,000,000)
Purchase of long term investments	(6,889,000)	-
Loans receivable		(5,590,000)
Placement fees	(45,000)	
Investment in associates (note 13)	(7,917,000)	(4,000)
Proceeds on disposal of short-term investments	21,342,000	89,000
	1,471,000	(40,567,000)
Financing activities		
Issuance of common shares - net of issue costs	-	50,440,000
Dividends paid	(3,282,000)	(895,000)
	(3,282,000)	49,545,000
Change in cash and cash equivalents during the period	(271,000)	9,224,000
Cash and cash equivalents - Beginning of period	19,683,000	1,330,000
Cash and cash equivalents - End of period	$ 19,412,000	$ 10,554,000
Supplementary information		
Income taxes paid	**$ 1,337,000**	**$ 417,000**

The accompanying notes are an integral part of these interim consolidated financial statements

(rounded to the nearest thousands of dollars, except per share amounts)

1. NATURE OF BUSINESS

Tricon Capital Group Inc. (Tricon) and its subsidiaries, Tricon Capital GP Inc. (effective March 23, 2011), Tricon USA Inc. and, prior to its disposal on January 1, 2010, MOD Developments Inc. (formerly Tricon Development Group Inc.), 2237176 Ontario Limited (effective May 11, 2010), TCC III Funding Limited, TCC IV Funding Limited, TCC V Funding Limited, TCC VI Funding Limited, Tricon VIII Funding Limited, Tricon X Funding Limited, Tri Continental (1997) Ltd., Tri Continental III Ltd., Tri Continental IV Ltd., Tri Continental Capital V Ltd., Tri Continental Capital VI Ltd., Tricon VIII Ltd. and Tricon X Ltd. (effective May 13, 2010), Tricon X Secondary Funding Ltd. (effective August 26, 2010), Tricon Capital Fund XII Co-Investment Inc. (effective March 23, 2011), Tricon XII Funding Limited (effective March 23, 2011), Tricon XII Feeder GP Ltd (effective May 24, 2011) (collectively, the Company) provide asset management services to funds managed by the Company of which the investors are high net worth individuals and institutional investors. Tricon was incorporated in June 1997 under the Business Corporations Act (Ontario) and is situated at 1067 Yonge Street, Toronto, Ontario, M4W 2L2. The Company operates in Canada and in the United States of America.

Tricon became a public company on May 20, 2010 and its common shares are listed on the TSX (symbol: TCN).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies applied in the preparation of these consolidated financial statements.

Basis of preparation

The interim consolidated financial statements are prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, and in accordance with the Interpretations of the International Financial Reporting Interpretation Committee as issued by the International Accounting Standards Board. These interim consolidated financial statements have been prepared using the historical cost convention and were authorized for issue on November 11, 2011 by the Board of Directors of Tricon.

Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity that have a significant risk of material adjustment to the carrying amounts of assets or liabilities within the next fiscal year include impairment of assets, income taxes, the estimated useful lives of long-lived assets, the estimated fair value of investments in associates, the determination of the long-term incentive plan accrual and the determination of consolidation requirements for the funds managed by the Company.

Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies and sufficient exposure to benefits or losses such that consolidation is appropriate under IFRS 10 *Consolidated Financial Statements* (see accounting requirements in Note 2 – New accounting requirements) generally accompanying a

(rounded to the nearest thousands of dollars, except per share amounts)

shareholding of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is obtained and no longer consolidated from the date on which control ceases. Inter-company transactions, balances and unrealized gains on transactions between the Company and its subsidiaries are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been conformed where necessary to ensure consistency with the policies adopted by the Company.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from the provision of services in the ordinary course of the Company's activities. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will be received and when specific criteria have been met, as described below.

Revenues primarily comprise contractual management fees and general partner distributions which are not contingent on the performance of the underlying funds as well as performance fees earned in respect of investment management services provided to investment funds managed by the Company. Contractual management fees are recognized as services are performed and are based on a fixed percentage of each fund's committed capital prior to the expiration of each such fund's investment period and based on invested capital following the expiration of the relevant investment period. General Partner Distributions are recognized as received.

Performance fees are earned based on fixed percentages of the returns of each fund in excess of predetermined thresholds. 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, which is generally subsequent to the return of all the original capital provided by investors plus a preferred rate of return as specified in the limited partnership agreement. Contractual management fees and performance fees are earned through the Company's fiduciary activities as an investment manager.

Investments in associates

Associates are those entities in which the Company has significant influence, but not control, over financial and operating policies. Investments in associates consist of general partnership interests in investment funds and investments held on behalf of future investment funds (warehoused investments) managed by the Company.

a) *General Partnership interests*

The Company holds an ownership interest in certain investment funds managed by the Company. Significant influence is exercised through the Company's general partnership interest in these investment funds. Accordingly, these interests are accounted for as investments in associates.

These ownership interests are held as part of the Company's investment portfolio and are carried on the consolidated balance sheet at fair value in accordance with the IAS 28 *Investment in Associates* exemption, which permits investments held by venture capital organizations in which they have significant influence to be excluded from the scope of IAS 28 where those investments are designated, upon initial recognition, such that they are carried at fair value with gains and losses recognized through profit or loss. The Company has elected to designate its general partnership interests at fair value through profit and loss, and accordingly accounts for these interests at fair value.

(rounded to the nearest thousands of dollars, except per share amounts)

b) *Warehoused investments*

The Company has designated warehoused investments, over which the Company has significant influence that are held as part of the Company's investment portfolio as investments recorded at fair value through the profit and loss statement, consistent with the IAS 28 exemption referred to above.

c) *Investment in Tricon XII Limited Partnership*

The Company has designated investment in Tricon XII Limited Partnership through the Company's wholly-owned subsidiary Tricon Capital Fund XII Co-Investment Inc. that invests in Tricon XII LP as a limited partner, as investment recorded at fair value through the profit and loss, consistent with the IAS 28 exemption referred to above.

Placement fee and performance fee rights intangible assets

Placement fees represent costs incurred to secure investment management contracts. Performance fee rights represent costs incurred to obtain rights to receive future performance fees from certain funds. These are accounted for as intangible assets carried at cost less accumulated amortization. Amortization is recorded using the straight-line method and is based on the estimated useful lives of the associated funds, which is generally eight years.

Placement fee and performance fee rights intangible assets are reviewed for impairment at each measurement date or whenever indicators of impairment exist. The impairment assessment is performed at the level of the cash generating unit, which is at the fund level, as this is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other assets. If determined to be impaired, placement fee and performance fee rights intangible assets are written down to the higher of their value-in-use and fair value less costs to sell.

Foreign currency translation

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment of the subsidiary. The consolidated financial statements are presented in Canadian dollars, which is Tricon's functional currency and the functional currency of its foreign operations.

Foreign currency transactions are translated into Canadian dollars using exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the exchange rate in effect at the measurement date. Non-monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the historical exchange rate. Gains and losses arising from foreign exchange are included in the statements of comprehensive income (loss).

Office equipment and leasehold improvements

Furniture, office equipment, computer equipment and leasehold improvements are accounted for at cost less accumulated amortization. Leasehold improvements are amortized on a straight-line basis over the lease term (including reasonably assured renewal options). All other capital assets are amortized on a straight-line basis over their estimated useful lives, as follows:

(rounded to the nearest thousands of dollars, except per share amounts)

Furniture	3 years
Office equipment	5 years
Computer equipment	2 years

Estimated useful lives and residual values of capital assets are reviewed and adjusted, if appropriate, at least each financial year-end. Office equipment and leasehold improvements are tested for impairment whenever indicators of impairment exist. An impairment writedown is recorded when the carrying amount of a capital asset is determined to exceed its recoverable amount. The recoverable amount is the greater of an asset's fair value less cost to sell and its value-in-use.

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, short-term and long-term investments, accounts receivable, accounts payable and accruals and dividends payable. Cash and cash equivalents, short-term and long-term investments and accounts receivable are classified as loans and receivables. Loans and receivables and accounts payable and accruals are initially recognized at fair value and subsequently accounted for at amortized cost. Interest income and expense are accounted for using the effective interest rate method.

Loans and receivables are assessed to determine whether objective evidence of impairment exists at each reporting date. Impairment losses are measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Impairment losses are reversed in subsequent periods if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Short-term investments

Short-term investments include investments in Guaranteed Investment Certificates that mature within twelve months.

Long-term investments

Long-term investments include corporate bonds of major Canadian financial institutions with high credit rating and maturity no longer than three years.

Dividends

Dividends are accrued when declared by Tricon's Board of Directors.

Current and deferred income taxes

Income tax (recovery) expense includes current and deferred income taxes. Income tax (recovery) expense is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case the tax is also recognized directly in equity. Income taxes are calculated based on the enacted or substantively enacted rates in effect at the consolidated balance sheet date. Management evaluates uncertain tax positions subject to

(rounded to the nearest thousands of dollars, except per share amounts)

interpretation and establishes provisions as appropriate, based on expectations about future settlements, using the best estimate approach.

The Company uses the liability method to recognize deferred income taxes on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax assets are only recorded if it is probable that they will be realized. Enacted or substantively enacted rates in effect at the consolidated balance sheet date that are expected to apply when the deferred income tax asset is realized or the deferred tax liability is settled are used to calculate deferred income taxes.

Related parties

Transactions and balances with related parties are identified by management and separately disclosed in the consolidated financial statements (note 10).

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are recorded as an expense in net income on a straight-line basis over the term of the lease. Leases of assets where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the commencement of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown as a deduction, net of tax, from the proceeds.

Earnings (loss) per share

The treasury stock method is used in the calculation of per share amounts. Basic earnings (loss) per share are determined by the weighted average number of shares outstanding during the period, taking into account on a retrospective basis any increases or decreases caused by share splits or reverse share splits occurring after the reporting period, but prior to the financial statements being authorized for issue. The Company also considers the effects of stock options in calculating diluted earnings per share.

Stock option plan

The Company accounts for its stock option plan by calculating the fair value of the options as of the grant date using a Black-Scholes option pricing model and observable market inputs. This fair value of the options is recognized as compensation cost using the graded vesting method over the vesting period of the options.

Long-term incentive plan

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. Amounts under the LTIP are allocated among the employees based on amounts defined in employment agreements. The Company accounts for its LTIP using a fair value based method under which compensation expense is

(rounded to the nearest thousands of dollars, except per share amounts)

recognized beginning at the time of grant for the estimated fair value, adjusted each period, of the participant's rights, as they vest.

New and future accounting requirements

On May 12, 2011 the IASB issued IFRS 10, *Consolidated Financial Statements*. IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under IFRS prior to the issuance of IFRS 10, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC - 12 *Consolidation - Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*. The standard is effective for annual periods beginning on or after January 1, 2013 with earlier adoption permitted. The Company elected to adopt IFRS 10 in Q2 2011 which resulted in Tricon XII Limited Partnership no longer being consolidated commencing June 15, 2011, the date that the Company's percentage of capital commitment dropped from 29% to 14%.

On May 12, 2011 the IASB issued IFRS 12, *Disclosure of Interests in Other Entities*. IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company adopted this standard in Q2 2011 along with IFRS 10. The adoption of this standard results in expanded disclosures regarding the Company's material interests in other entities.

On May 12, 2011 the IASB issued IFRS 13, *Fair Value Measurement*. IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company did not adopt this standard as of September 30, 2011. Management is in the process of determining the impact of this standard to the Company.

On June 16, 2011 the IASB issued an amended version of IAS 19, *Employee Benefits*, effective for annual periods beginning on or after January 1, 2013. The Company did not adopt this standard as of September 30, 2011. Management is in the process of determining the impact of this standard to the Company.

On November 9, 2009 the IASB issued the first part of IFRS 9 Financial Instruments which covers the classification and measurement of financial assets that will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The Company did not adopt this standard as of September 30, 2011. Management is in the process of determining the impact of this standard to the Company.

(rounded to the nearest thousands of dollars, except per share amounts)

3. CASH, CASH EQUIVALENTS AND SHORT TERM INVESTMENTS

Cash and Cash Equivalents

	September 30, 2011	December 31, 2010
Bank operating accounts	$ 2,160,000	$ 4,257,000
TD Waterhouse High Interest Savings Account	10,962,000	15,426,000
BMO Nesbitt Burns USD Interest Savings Account	6,290,000	-
	$ 19,412,000	$ 19,683,000

Short-Term Invesments

	Rate	Maturity	September 30, 2011	December 31, 2010
TD Bank 1-year GICs	1.43%	May 21, 2011	$ -	$ 10,000,000
TD Waterhouse 1-year GIC	1.55%	June 30, 2011	-	5,000,000
TD Bank 9-month GICs	1.50%	August 15, 2011	-	6,000,000
TD Bank 1-year GICs	1.55%	November 17, 2011	10,000,000	10,000,000
TD Waterhouse 1-year GIC	1.55%	July 3, 2012	5,000,000	-
Accrued interest			214,000	156,000
			$ 15,214,000	$ 31,156,000

[BOTTOM OF PAGE INTENTIONALLY LEFT BLANK]

(rounded to the nearest thousands of dollars, except per share amounts)

4. INTANGIBLE ASSETS

	Placement fees	Rights to performance fees	Total
Year ended December 31, 2010			
Opening Net book value	4,347,000	707,000	5,054,000
Amortized expense	(1,071,000)	(54,000)	(1,125,000)
Net book value	3,276,000	653,000	3,929,000
As at December 31, 2010			
Cost	8,516,000	707,000	9,223,000
Accumulated amortization	(5,240,000)	(54,000)	(5,294,000)
Net book value	3,276,000	653,000	3,929,000
Period ended September 30, 2011			
Opening Net book value	3,276,000	653,000	3,929,000
Additions	45,000	-	45,000
Amortized expense	(848,000)	(61,000)	(909,000)
Net book value	2,473,000	592,000	3,065,000
As at September 30, 2011			
Cost	8,516,000	707,000	9,223,000
Additions	45,000	-	45,000
Accumulated amortization	(6,088,000)	(115,000)	(6,203,000)
Net book value	2,473,000	592,000	3,065,000

There were no impairment charges of Placement fees and Rights to performance fees during the nine month periods ended September 30, 2011 and 2010.

[BOTTOM OF PAGE INTENTIONALLY LEFT BLANK]

(rounded to the nearest thousands of dollars, except per share amounts)

5. OFFICE EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	Furniture	Office equipment	Computer equipment	Leasehold improvements	Total
Year ended December 31, 2010					
Opening Net book value	1,000	14,000	11,000	165,000	191,000
Additions	14,000	8,000	52,000	-	74,000
Amortized expense	(2,000)	(8,000)	(26,000)	(27,000)	(63,000)
Net book value	13,000	14,000	37,000	138,000	202,000
As at December 31, 2010					
Cost	146,000	58,000	451,000	426,000	1,081,000
Accumulated amortization	(133,000)	(44,000)	(414,000)	(288,000)	(879,000)
Net book value	13,000	14,000	37,000	138,000	202,000
Period ended September 30, 2011					
Opening Net book value	13,000	14,000	37,000	138,000	202,000
Additions	5,000	-	15,000	-	20,000
Amortized expense	(4,000)	(8,000)	(22,000)	(20,000)	(54,000)
Net book value	14,000	6,000	30,000	118,000	168,000
As at September 30, 2011					
Cost	151,000	58,000	466,000	426,000	1,101,000
Accumulated amortization	(137,000)	(52,000)	(436,000)	(308,000)	(933,000)
Net book value	$ 14,000	$ 6,000	$ 30,000	$ 118,000	$ 168,000

There were no impairment charges during the nine month periods ended September 30, 2011 and 2010.

6. ACCOUNTS PAYABLE AND ACCRUALS

	September 30, 2011	December 31, 2010
Accounts payable and accruals	$ 698,000	$ 753,000
STIP (note 20)	655,000	102,000
	$ 1,353,000	$ 855,000

7. LEASE COMMITMENTS

The Company has a lease commitment on its head office premises located at 1067 Yonge Street, Toronto, Ontario. The landlord is Mandukwe Inc., a related corporation (note 10). The minimum rental amount is $43,000 per annum extending to November 30, 2019. Additional maintenance and utility costs and realty taxes are payable as incurred.

(rounded to the nearest thousands of dollars, except per share amounts)

In addition, the Company leases office equipment and furniture. The furniture lease expired on April 30, 2011. The lease had an option to buy the furniture which the company exercised. The future minimum payments in respect of the office equipment leases are:

2011	$	6,000
2012		25,000
2013		25,000
2014		21,000
2015		8,000
Thereafter		-

8. SHARE CAPITAL

Date	Particulars	Notes	No of shares Issued		
As at January 1, 2010 - Opening Balance			**1,000,000**	**$**	**1,000**
May 11, 2010	Issued 8,880 and 4,781 common shares to Althurst and Mandukwe, respectively at $51.79 per share	(1)	13,661		707,000
			1,013,661	$	708,000
May 13, 2010	Stock Split of 1,013,661 common shares on a 7.803170883 for 1 basis		7,909,770	$	708,000
May 13, 2010	Issued 3 and 6 common shares to Althurst and Mandukwe, respectively for $54	(2)	9		-
May 13, 2010	Issued 679,921 common shares from treasury to two officers in consideration for their past services to the Company at $6 per share		679,921		4,080,000
May 19, 2010	Issued 160,300 common shares from treasury to the employees in consideration for their past services to the Company at $6 per share		160,300		962,000
May 20, 2010	Issued 8,500,000 common shares at $6 per share upon completion of the initial public offering, net of issuance costs of $4,398,000, net of tax of $1,616,000		8,500,000		46,602,000
June 17, 2010	Exercise of over-allotment option by underwriters at $6.00 per share, net of issuance costs of $342,000 net of tax of $128,000		990,871		5,603,000
	Additional issuance costs of $21,000, net of tax of $8,000		-		(21,000)
As at September 30, 2011 and December 31, 2010 - Ending Balance			**18,240,871**	**$**	**57,934,000**

Notes

(1) The shares were issued in exchange for the transfer to the Company of all the issued and outstanding shares of 2237176 Ontario Limited, which indirectly held an 80% and 86.5% interest in the performance fees receivable in respect of Tri Continental Capital VII Limited Partnership and Tricon IX Limited Partnership, respectively.

(rounded to the nearest thousands of dollars, except per share amounts)

(2) The shares were issued as partial consideration for Canadian General Partners shares (TCC III Funding Limited, TCC IV Funding Limited, TCC V Funding Limited, TCC VI Funding Limited, Tricon VIII Funding Limited, Tricon X Funding Limited, Tri Continental (1997) Ltd., Tri Continental III Ltd, Tri Continental IV Ltd., Tri Continental V Ltd., Tri Continental VI Ltd., Tricon VIII Ltd. and Tricon X Ltd.) and transfer of rights to performance fees.

The Company can issue unlimited common shares and unlimited redeemable and retractable Class A, B and C shares. As of September 30, 2011, the Company had 18,240,871 common shares outstanding (December 31, 2010 – 18,240,871 common shares outstanding).

9. INCOME TAXES

	Three Months Ended September 30, 2011	2010	Nine Months Ended September 30, 2011	2010
Current income tax				
Current income taxes on income for the period	$ 381,000	$ 233,000	$ 700,000	$ 308,000
Adjustments relating to prior years	-	(9,000)	-	3,000
	381,000	224,000	700,000	311,000
Deferred taxes				
Origination and reversal of temporary differences	(51,000)	(96,000)	(463,000)	(1,797,000)
Adjustments relating to prior years	22,000	22,000	11,000	15,000
Impact of change in effective rates	(7,000)	12,000	20,000	454,000
	(36,000)	(62,000)	(432,000)	(1,328,000)
Income tax expense (recovery)	$ 345,000	$ 162,000	$ 268,000	$ (1,017,000)

The tax on the Company's income before income taxes differs from the theoretical amount that would arise using the weighted average tax rate applicable to income of the consolidated entities as follows:

	Three Months Ended September 30, 2011	2010	Nine Months Ended September 30, 2011	2010
Income (loss) before income taxes	$ 1,338,000	$ 277,000	$ 557,000	$ (9,992,000)
Combined statutory federal and provincial income tax rate	28.25%	30.99%	28.25%	30.99%
Expected income tax expense (recovery)	378,000	85,000	157,000	(3,097,000)
Tax rate differential (foreign tax rates)	(79,000)	(21,000)	(67,000)	(24,000)
Tax effects of				
Permanent differences	50,000	47,000	166,000	1,651,000
Change in effective tax rates	(7,000)	12,000	20,000	454,000
Adjustment in respect of prior years	22,000	18,000	11,000	18,000
Valuation allowance in respect of deferred tax asset of MOD Developments Inc.	-	-	-	(46,000)
Other	(19,000)	21,000	(19,000)	27,000
Income tax expense (recovery)	$ 345,000	$ 162,000	$ 268,000	$ (1,017,000)

(rounded to the nearest thousands of dollars, except per share amounts)

The following is an analysis of the Company's deferred income tax assets and deferred income tax liabilities:

	September 30, 2011	December 31, 2010
Deferred income tax assets relating primarily to equity issuance costs and LTIP to be recovered after more than 12 months	$ 3,056,000	$ 2,889,000
Deferred income tax liabilities relating to non-current assets to be recovered after more than 12 months	794,000	1,059,000

10. RELATED PARTY TRANSACTIONS AND BALANCES

Until May 19, 2010, the Company was owned by Althurst Holdings Inc. (Althurst), Mandukwe Inc. (Mandukwe) and an officer of the Company. The Company completed an initial public offering on May 20, 2010.

The Company leases office space from Mandukwe, a company that is owned by a director of Tricon. During the nine months ended September 30, 2011, the Company paid $66,000 in rental payments, including common costs, to Mandukwe (2010 - $65,000).

Key management compensation

Key management includes directors and the "Named Executive Officers" which are the current Chief Executive Officer, Chief Financial Officer and the top three executive officers of the Company. Compensation paid or payable to key management for employee services is as follows:

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Salaries, benefits and STIP	$ 604,000	$ 587,000	$ 1,811,000	$ 1,621,700
Discretionary (pre-IPO) management bonus	-	-	-	2,013,000
Stock option expense (notes 20)	59,000	122,000	267,000	199,000
Gifted shares	-	4,170,000	-	4,170,000
LTIP paid	3,000	9,000	129,000	201,000
LTIP accrued (note 21)	337,000	263,000	1,891,000	4,462,000
	1,003,000	5,151,000	4,098,000	12,666,700
Director's compensation (note 20)	32,000	54,000	125,000	88,000
	$ 1,035,000	$ 5,205,000	$ 4,223,000	$ 12,754,700

Transactions with related parties

The following table summarizes revenue from investment funds managed by the Company, which are considered related parties as the Company is the general partner of the investment funds, as well as loss from partnerships in which the Company invests:

(rounded to the nearest thousands of dollars, except per share amounts)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Contractual management fees	$ 2,257,000	$ 2,486,000	$ 6,817,000	$ 7,530,000
General Partner distributions	541,000	-	614,000	-
Performance fees	5,000	236,000	311,000	1,444,000
Income (loss) from partnerships	(143,000)	4,000	(143,000)	7,000
	$ 2,660,000	$ 2,726,000	$ 7,599,000	$ 8,981,000

The Company also received or accrued General Partner distributions from an investment fund of $1,104,000 in the nine month period ended September 30, 2011 (2010 – $nil), of which $490,000 was eliminated on consolidation as that investment fund was consolidated until June 15, 2011.

Balances arising from transactions with related parties

	September 30, 2011	December 31, 2010
Receivables from related parties included in accounts receivable		
Contractual management fees receivable from investment funds managed by the Company	$ 1,314,000	$ 436,000
Performance fees receivable from investment funds managed by the Company	-	103,000
Loans receivable from the funds	-	203,000
Other receivables	582,000	-
Payables to related parties included in accounts payable and accruals (*note 1*)	25,000	69,000
Long Term Incentive Plan (short and long term portion)	8,567,000	6,048,000
Short Term Incentive Plan	663,000	102,000
Dividends payable to employees and associated corporations	406,000	406,000

Note 1 – Payables to related parties consist of an amount of office rent payable to Mandukwe Inc. (note 6).

Revenues and receivables from related parties relate to contractual management and performance fees for services provided by the Company. The receivables are unsecured and are non-interest bearing except for the loans receivable from the funds which bear an interest rate of 9%. There are no provisions recorded against receivables from related parties at September 30, 2011 (December 31, 2010 - $nil).

The Company and its founding shareholders have indemnified the limited partners of certain funds the Company manages. Refer to note 17 for further details.

11. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company manages equity as capital and may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

(rounded to the nearest thousands of dollars, except per share amounts)

12. FINANCIAL INSTRUMENTS

The Company's activities expose it to certain financial risks including interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company's exposure to interest rate risk is limited due to the short-term nature of the Company's financial instruments with the exception of the long-term investments discussed below. The effects on net and comprehensive income (loss) of possible changes in interest rates resulting from changes in the fair values of, or cash flows associated with, the Company's financial instruments other than the long-term investments discussed below, would not be significant to the Company's operations.

The Company has exposure to foreign currency risk due to the effects of changes in foreign exchange rates related to investments and cash in US dollars. A one percentage movement in the US dollar exchange rate would result in a $75,000 movement in unrealized foreign exchange income (loss) in the income statement.

Credit risk arises from cash and cash equivalents, short-term and long-term investments and accounts receivable. The Company's cash and cash equivalents, short-term and long-term investments are held by financial institutions with a minimum credit rating of AA. The Company's receivables consist primarily of contractual management fees and performance fees that are receivable from investment funds managed by the Company. The fair values of these financial instruments approximate their carrying values due to the short maturity of the financial instruments.

The maturities of all of the Company's financial liabilities are less than twelve months.

Long-term investments

On May 25, 2011 the Company bought CIBC corporate bonds, with a face value of $6,450,000, at a premium of $439,000. The bonds bear interest at 4.95% per annum with a yield of 2.3% payable semi-annually and mature on January 23, 2014. Management intends to hold the bonds to maturity. A 1% change in interest rates would impact the fair value of these bonds by $69,000.

The premium is amortized at the effective interest rate of 2.31% and is netted against the interest under Other Revenue. The amortization expense of the premium for the period ended September 30, 2011 is $57,000 (2010 – $nil).

These bonds hold a credit rating of AA at September 30, 2011.

13. INVESTMENT IN ASSOCIATES

During the third quarter of 2011, the Company invested an additional US$1.2 million in The New Home Company ("**TNHC**"), an Orange County, California-based homebuilding and land development company for a total investment of US$7.4 million ($7.8 million Canadian equivalent as of September 30, 2011). The Company's total commitment to TNHC is US$10 million which is a 16.7% ownership interest in the investment. Pursuant to the IAS 28 *Investment in Associates* exemption for venture capital organizations, the investment in TNHC was designated, upon initial recognition, such that it is carried at fair value with any gains or losses recognized through the profit or loss statement. No adjustment was required to the fair value of the TNHC investment as of September 30, 2011.

The Company committed $20 million through its wholly-owned subsidiary Tricon Capital Fund XII Co-Investment Inc. to Tricon XII Limited Partnership ("**Tricon XII**") representing 29% ownership interest at inception. Tricon XII was formed on March 23, 2011 and incurred formation cost and

(rounded to the nearest thousands of dollars, except per share amounts)

operating expenses for the nine months ended September 30, 2011 of $931,000 which was consolidated in the Company's financial statements.

On June 15, 2011, Tricon XII had a second closing, which reduced the Company's ownership interest in Tricon XII to 14%. Therefore, the Company no longer consolidates Tricon XII effective June 15, 2011 and accounts for this investment at fair value through the consolidated statements of comprehensive income (loss). As new limited partners are admitted to Tricon XII during subsequent closings, the Company's interest in the fund will further decrease proportionately.

In accordance with the limited partnership agreement between Tricon XII limited partners, a portion of net income will be distributed to the general partner, Tricon Capital GP Inc., a wholly-owned subsidiary of the Company. Refer to Note 2 for further details regarding the Company's accounting policy relating to Tricon XII.

The fair value of the Company's investment in Tricon XII is $nil as of September 30, 2011 with a fair value loss of $153,000 reflected in the consolidated statements of comprehensive income (loss).

There are no restrictions on the ability of associates to transfer funds to the Company in the form of cash dividends or repayment of loans.

14. INCOME (LOSS) PER SHARE

Income (loss) per share is calculated by dividing net income (loss) by the weighted average number of shares outstanding during the period. The Company's stock options are anti-dilutive at September 30, 2011 (there were no outstanding stock options at September 30, 2010).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net income (loss)	$ 993,000	$ 115,000	$ 289,000	$ (8,975,000)
Basic and diluted net income (loss) per share	$ 0.05	$ 0.01	$ 0.02	$ (0.72)
Weighted average number of common shares outstanding	18,240,871	18,240,871	18,240,871	12,442,149

15. DIVIDENDS PER SHARE

In the nine months ended September 30, 2011, dividends of 6 cents were declared in each of the three quarters and were paid on April 15, July 15, 2011 and October 15, 2011 respectively. The aggregate amount paid in 2011 was $3,282,000 (2010 - $1,887,000).

16. GENERAL AND ADMINISTRATION

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Office and other	$ 194,000	$ 331,000	$ 484,000	$ 611,000
Rent (note 10)	21,000	20,000	66,000	65,000
Travel	6,000	5,000	29,000	22,000
	$ 221,000	$ 356,000	$ 579,000	$ 698,000

(rounded to the nearest thousands of dollars, except per share amounts)

17. INDEMNIFICATION

Pursuant to Indemnification Agreements with certain General Partners of Limited Partnerships managed by the Company and certain shareholders of the Company (who are also officers and directors of the Company), the Company has agreed to indemnify the General Partner and those shareholders and, where applicable, any of their directors, officers, agents and employees (collectively, the Indemnified Parties) for any past, present or future amounts paid or payable by any of the Indemnified Parties to the Limited Partnership in the form of a capital contribution or clawback guarantee relating to performance fees for any claim or obligation as set out in the Limited Partnership Agreements. There are no amounts payable in respect of this indemnification at September 30, 2011 (December 31, 2010 - $nil).

18. ENTITY-WIDE DISCLOSURE

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Revenue				
Canada	$ 1,400,000	$ 1,487,000	$ 3,976,000	$ 4,900,000
United States of America	1,379,000	1,462,000	4,114,000	4,364,000
	$ 2,779,000	$ 2,949,000	$ 8,090,000	$ 9,264,000

	Nine Months Ended September 30, 2011	December 31, 2010
Non-current assets		
Canada	$ 10,785,000	$ 3,906,000
United States of America	10,145,000	3,149,000
	$ 20,930,000	$ 7,055,000

Revenue from funds under management that represent greater than 10% of revenues is as follows:

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Tri Continental Capital VI Limited Partnership	$ 252,000	$ 269,000	$ 748,000	$ 1,012,000
Tri Continental Capital VII Limited Partnership	404,000	429,000	1,196,000	1,270,000
Tricon VIII Limited Partnership	314,000	330,000	953,000	978,000
Tricon IX Limited Partnership	975,000	1,034,000	2,919,000	3,092,000
Tricon X Limited Partnership	233,000	318,000	767,000	959,000

19. OTHER INCOME

Other income comprises:

a) A gain on the disposal of the Company's 100% interest in MOD Developments Inc. on January 1, 2010 for net proceeds of $100 and the assumption by the acquirer of the liabilities of MOD Developments Inc. resulted in a gain of $139,000.

b) A gain on the disposal of an investment in real estate for net proceeds of $89,000 resulting in a gain of $76,000.

(rounded to the nearest thousands of dollars, except per share amounts)

20. COMPENSATION ARRANGEMENTS

The breakdown of the various compensation arrangements is as follows:

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Stock options expense	100,000	209,000	451,000	344,000
Short-term incentive plan (included in salaries and benefits expenses)	356,000	144,000	655,000	191,000
Deferred Share Unit Plan	8,000	13,000	47,000	13,000
Long-term incentive plan (note 21)	543,000	373,000	2,675,000	6,211,000

The Company operates various equity-settled and cash-settled arrangements. The sections below detail the different arrangements.

Stock option plan

Stock options may be granted to all employees. The exercise price of the options, at the grant date, is no less than the volume-weighted average trading price of the common shares for the five trading days immediately preceding the grant date.

The options are not conditional on any performance criteria, and shall vest equally at one-third per year from the anniversary of the grant date (the vesting period) provided the optionee is employed with the Company. The options are exercisable at any time from the date of vesting and have a contractual option term of 10 years. The Company has no legal or constructive obligation to repurchase or settle the options in cash. All options will be settled in equity.

The first issuance of options under the stock option plan occurred on May 19, 2010 of 895,000 stock options. On August 3, 2010, 71,500 additional stock options were granted to employees of the Company. 298,333 and 23,833 options were vested and exercisable on May 19, 2011 and August 3, 2011 respectively, however, no options have been exercised during the nine months ended September 30, 2011. Movements in the number of share options outstanding and their related weighted average exercise price are as follows:

	September 30, 2011 Average exercise price per share	September 30, 2011 Options (in thousands)
As of January 1, 2010 and December 31, 2010	$ 5.94	941.5
Granted during the period	-	-
Forfeited during the period	-	-
As of September 30, 2011	$ 5.94	941.5

Expiry date	September 30, 2011 Exercise price per share	September 30, 2011 Options (in thousands)
May 19, 2020	$ 6.00	870.0
August 3, 2020	5.26	71.5

(rounded to the nearest thousands of dollars, except per share amounts)

There were no options granted in the nine months ended September 30, 2011. The fair value of the options granted in 2010 was determined using the Black-Scholes valuation model. The fair value of the options granted in 2010 totaled $1,385,000. The significant inputs into the model were:

	May 19, 2010	August 3, 2010
Share price	$ 6.00	$ 5.50
Exercise price	$ 6.00	$ 5.26
Expected volatility	34%	34%
Expected dividend yield	4.00%	4.36%
Expected option life	6 years	6 years
Risk free rate	3.38%	3.35%

Tricon became a public company on May 20, 2010 and, as such, expected volatility was determined based on volatility over the last six years of a group of publicly traded companies deemed to be of comparable size and nature to Tricon.

Short-term incentive plan

All of the Company's employees participate in the short-term incentive plan (STIP). The STIP pool is determined based on 12.5% of base operating income as defined in the plan and is paid on an annual basis in cash. Employees are required to be employed with the Company at the end of the financial year to receive a payment under the STIP.

STIP expense is accrued quarterly and is recorded in salaries and benefits expense. STIP expense for the nine months ended September 30, 2011 is $655,000 (September 30, 2010 - $191,000).

Deferred share unit plan

On May 20, 2010, the Company established a Directors' deferred share unit plan ("**DSUP**"). Under the DSUP, each independent director is entitled to elect to have any amount or percentage of their director fees contributed to the DSUP. The number of DSUs are determined by dividing the amount of the elected fee by the Market Price of the Company's shares on the grant date, which is the 15th day following the end of any fiscal quarter. The market price ("**Market Price**") is defined as the five day average of the closing price of the Company's shares on the TSX ending on the last trading date immediately preceding the date as of which the market price is determined. All notional units vest as of the grant date. Additional DSUs are issued equivalent to the value of any cash dividends that would have been paid on the common shares.

Notional units issued under the DSUP may only be redeemed by the Independent director when such director no longer serves on the Board of Tricon. Redemptions will be paid out in cash. The directors that elect the amount of his or her fees that will be contributed to the DSUP upon commencement of their term as a member of the Board. Directors may change their election from fiscal quarter to fiscal quarter.

The liability is fair valued at each reporting date, based on the share price of the Company as at the reporting date and is recorded within current liabilities as there are no vesting requirements and payment takes place when a Board member resigns, which could take place at any time. DSUP expense for the nine months ended September 30, 2011 is $47,000 (2010 - $13,000).

(rounded to the nearest thousands of dollars, except per share amounts)

Upon the redemption of the DSUs, the Company shall pay to the Independent director a lump sum cash payment (rounded to the nearest cent) equal to the number of DSUs to be redeemed multiplied by the Market Price of the Company's common shares on the redemption date, net of applicable deductions and withholdings. If an Independent director ceases to be an eligible director, he may choose a redemption date by giving written notice to the Company provided that such date is not prior to the tenth day following the release of the Company's quarterly or annual results and is not later than eleven months following the cessation of the Independent director being an eligible director. If written notice is not provided, the redemption date is deemed to be eleven months from the cessation of the Independent director being an eligible director.

Gifted shares

In the second quarter of 2010, 840,221 shares were gifted to executives and management in consideration for past services provided. These gifted shares are eligible to receive dividends, do not have any vesting restrictions, nor any conditions of any service or performance criteria, and are non-forfeitable. The gifted shares shall be released in one third tranches, over a three year period starting from May 20, 2010. The Company has no legal or constructive obligation to repurchase or settle the awards in cash.

The gifted shares were recorded in salaries and benefits expense based on their grant date value of $5,041,000. One third of these awards has been released on May 20, 2011.

21. LONG-TERM INCENTIVE PLAN

Certain of the Company's executives and management participate in the LTIP. The LTIP pool is determined based on 50% of performance fees earned from funds managed by the Company and is paid to plan participants only if and when performance fees are generated from the funds. LTIP for all employees in funds Tricon X and prior is fully vested. For future funds, the employees LTIP entitlements will vest at one third each year from the first closing of such future funds. The LTIP liability is determined based on 50% of the expected performance fee that would be generated from the fair value of the assets within each fund at the balance sheet date, such performance fees will be recognized as revenue when earned. The fair value determination of the assets within a fund is based on a discounted cash flow model and requires management to make estimates and judgments concerning the future. These estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors. The resulting accounting estimates may differ from the related actual results. These estimates, assumptions and management judgments could result in a material adjustment to the carrying value of amounts of the LTIP liability in future years.

The most significant assumptions used in determining the LTIP liability relate to the future cash flows anticipated from projects within the funds managed by the Company and the discount rate applied to those cash flows.

If the expected performance fee cash flows relating to each project were increased or decreased by 5%, the LTIP liability would increase by $99,000 or decrease by $99,000. The weighted average discount rate used by management in calculating the fair value of performance fees for the LTIP liability is 30%. If the discount rate was increased or decreased by 5%, the LTIP liability would decrease by $273,000 or increase by $339,000, respectively.

The current portion of the LTIP liability of $43,000 is based on expected payments under the LTIP to be made within the next twelve months. The remaining LTIP liability of $8,524,000 is classified in non-current liabilities. LTIP expense was $2,675,000 for the nine months ended September 30, 2011 (nine months ended September 30, 2010 - $6,211,000).

(rounded to the nearest thousands of dollars, except per share amounts)

LTIP Rollforward	Nine Months ended September 30, 2011		Year ended December 31, 2010	
Opening balance - beginning of period	$	6,048,000	$	-
Payments		(156,000)		(307,000)
LTIP expense		2,675,000		6,355,000
Closing balance - end of period	**$**	**8,567,000**	**$**	**6,048,000**

22. PHANTOM UNIT PLAN

The Company adopted a Phantom Unit Plan on May 18, 2011 after shareholder approval and in accordance with Toronto Stock Exchange (the "TSX") guidelines. The Plan will consist of share-based awards to officers and employees of, and advisors to, the Company and its subsidiaries.

No awards were granted under this Plan as of September 30, 2011.

23. NON-CONTROLLING INTEREST

Non-controlling interest shown in the consolidated statement of comprehensive income (loss) represents the limited partners' share of Tricon XII. The non-controlling interest fair value is not reflected on the balance sheet as of September 30, 2011 as Tricon XII is no longer consolidated by the Company effective June 15, 2011 in accordance with IFRS 10 (December 31, 2010 - $nil).

Refer to Note 13 for further details regarding the Company's accounting relating to Tricon XII.

24. OTHER REVENUE

Other revenue represents interest income earned on short-term and long-term investments (net of bond amortization of $57,000) and temporary loans provided to the funds.

25. VARIABILITY OF RESULTS

The nature of our business does not allow for consistent year-to-year or period-to-period revenue comparisons. Revenues earned from a fund are dependent upon where the fund is in its life cycle. At the beginning of the fund's life cycle, consistent contractual management fees and certain general partner distributions are earned to the end of the investment period. Subsequent to the investment period, contractual management fees and the aforementioned general partner distributions start to decline as investments within a fund are realized. Performance fees which are earned at the end of the life cycle can vary significantly depending on fund performance resulting in volatile revenue streams.

26. SUBSEQUENT EVENTS

On November 11, 2011, the Company declared a dividend of $0.06 per share in respect of the quarter ended September 30, 2011 for a total dividend of $1,094,000, following approval from the Board of Directors.