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NEWS RELEASE



FOR IMMEDIATE RELEASE

Tricon Capital Group Reaches Key Milestone with \$125 Million First Close for Tricon XI, L.P.

Toronto, Ontario – September 6, 2012 – Tricon Capital Group Inc. (TSX: TCN) (“Tricon” or the “Company”), one of North America’s leading residential real estate investment companies, today announced a first close of \$125 million for its new U.S. distressed residential real estate fund Tricon XI, L.P. (“Tricon XI” or the “Fund”).

The objective of Tricon XI is to capitalize on “once in a generation” investment opportunities in distressed U.S. residential real estate that have arisen out of the 2007-10 credit crisis and related economic recession. The Fund will provide financing to experienced and reputable real estate developers for the acquisition, repositioning and potential development of distressed properties.

“I am very excited to announce that we have consummated the first close for our new U.S. distressed fund” said David Berman, Tricon’s Chairman and Chief Executive Officer. “This fund marks the continuation of an investment strategy which began with Tricon IX in 2008 and we continue to see a strong pipeline of investment opportunities in all of our target markets. I believe that our timing could not be better to both acquire distressed assets and participate in the eventual recovery of the U.S. economy and housing market.”

The Fund is being established to take advantage of 1) Tricon’s time-tested investment strategy and proven track record in distressed U.S. residential real estate; 2) the potential for substantially discounted land acquisitions in over-supplied markets that are poised for long term population and employment growth; 3) the overall scarcity of capital for the “for sale” residential development industry; 4) Tricon’s proprietary network of local developer partners and their ability to source attractive distressed investment opportunities from banks and other distressed sellers; and 5) the presence of “trough” housing fundamentals and long term favorable demographic trends. The Fund will focus on investments in Tricon’s core U.S. target markets, namely Northern California; Southern California; Dallas and Houston, Texas; Phoenix, Arizona; Atlanta, Georgia; and Southern Florida.

Tricon XI is targeting a gross internal rate of return (“IRR”) of 18 - 22%, expects investments to range in size from \$10 - \$50 million and has a maximum capitalization of \$500 million. As part of the first close, Tricon will be contributing two warehoused investments with aggregate commitments of approximately \$35 million to the Fund. Also, as is customary, Tricon has engaged a leading placement agent with wide ranging relationships across the limited partner universe to help further facilitate the fundraising process.

About Tricon Capital Group Inc.

Founded in 1988, Tricon is one of North America's leading residential real estate investment companies with approximately \$1.3 billion of assets under management as well as a growing portfolio of U.S. single-family rental homes. Tricon provides financing to local operators or developers in select markets in the United States and Canada, with a primary focus on for-sale housing in growing markets. Since inception, Tricon has invested in approximately 150 transactions for development projects valued at more than \$10 billion. More information about Tricon is available at www.triconcapital.com.

Forward-Looking Statements

This press release may contain forward-looking statements relating to expected future events and financial and operating results and projections of the Company, including statements regarding future plans, objectives or economic performance that involve risks and uncertainties. Forward-looking information and statements are based on management's expectations, intentions and assumptions. If unknown risks arise, or if any of the assumptions underlying the forward-looking statements prove incorrect, actual results may differ materially from management expectations as projected in such forward-looking statements. Examples of such risks include, but are not limited to, the risks disclosed in the Company's final long form prospectus dated May 14, 2010, the risks disclosed in the Company's final short form prospectus dated April 24, 2012, the risks disclosed in the Company's final short form prospectus dated July 23, 2012 and the risks described in the Company's continuous disclosure materials from time-to-time, as available on SEDAR at www.sedar.com. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

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