TRICON CAPITAL GROUP INC.
MANAGEMENT DISCUSSION AND ANALYSIS
AS AT MARCH 31, 2013

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

1. INTRODUCTION

This Management Discussion and Analysis ("MD&A") at March 31, 2013 is provided as of May 8, 2013. It should be read in conjunction with the unaudited condensed consolidated interim financial statements, including the notes thereof, of Tricon Capital Group Inc. ("Tricon" or the "Company") for the period ended March 31, 2013 (additional information relating to the Company is available at www.sedar.com) and the audited consolidated financial statements for the year ended December 31, 2012. The unaudited condensed consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"), consistent with the year ended 2012 and are presented in Canadian dollars.

1.1 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.

1.2 Overview

Tricon is an asset manager and principal investor focused primarily on the for-sale housing sector. As an asset manager, we manage private funds and separate investment accounts which participate in the development of real estate in North America by providing financing (generally in the form of participating loans which consist of a base rate of interest and/or a share of net future 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.

As a principal investor, we co-invest in our private fund and separate account business and have a U.S. single-family rental platform whereby we acquire, renovate, sell, lease and manage distressed single-family homes through a network of "best in class" local operating partners. The Company believes that U.S. single-family homes can be purchased at meaningful discounts to peak pricing and replacement cost and even to current retail pricing through foreclosure, short and bank REO ("real estate owned") sales and that the Company will generate attractive risk-adjusted yields from the rental, sale and future appreciation of these properties.

We measure the success of our business by employing several key performance indicators which are not recognized under IFRS. 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. The performance indicators used by the Company are defined in section 1.3 below.

1.3 Metrics of Our Business (Including Non-IFRS Financial Measures)

As an asset manager, our financial success is dependent upon our ability to attract investors to our private funds and separate account business and to select successful, high-return projects or investments for such funds or accounts. The management of these funds and separate investment accounts currently produces three main revenue streams: Contractual Fees, General Partner Distributions which are not contingent on the performance of the funds, and Performance Fees.

Contractual Fees are based on the capital committed to the funds and/or separate investment accounts during their respective Investment Periods. Thereafter, they are typically calculated on the lesser of: (i) the funds' capital commitment, and (ii) invested capital. Contractual Fees decline over time once the Investment Period expires and investments are realized.

General Partner Distributions are based on prescribed formulas within a fund's Limited Partnership Agreement and decline over time as investments are realized.

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. 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 the predetermined preferred return and are therefore largely earned towards the end of the fund's term. Performance Fees are largely dependent on investment performance and are only recognized when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

As a principal investor and co-investor into our private fund and separate account business, we generate Investment Income that is earned from (i) investing the Company's cash balances into "warehoused" investments that will be offered to new funds upon their formation, (ii) investing directly into new funds or co-investing alongside investments within those funds or into separate investment accounts and (iii) investing directly into projects or partnerships other than those described in (i) and (ii). In this regard, the Company has committed US$25 million to U.S. distressed fund Tricon XI, L.P ("Tricon XI"), $20 million to Canadian fund Tricon XII Limited Partnership ("Tricon XII"), and invested approximately US$14.4 million into the Cross Creek Ranch separate account. The Company will earn its pro-rata share of income from these investments, including fair value adjustments, although it does not expect Investment Income from these investments to be a significant contributor to Total Revenues until the cash balances are substantially invested into the new funds/partnerships and the new funds/partnerships commence investing into underlying projects.

Interest Income is earned on direct investments made via loans to projects and on short-term and long-term investments of funds waiting to be deployed.

Additionally, starting in Q2 2012, the Company earns Rental Revenue and Revenue from Inventory Homes Sold from its investment in its U.S. distressed single-family rental strategy whereby the Company acquires, renovates, sells or leases and manages a geographically scattered single-family rental portfolio through a network of partnerships with local operating partners. Rental Income will be generated from residential properties purchased and held long-term for rent. Revenue from Inventory Homes Sold will be generated by select properties purchased on an opportunistic basis specifically for the purpose of a quick turnaround. Inventory Homes tend to be higher end properties located in middle class or higher income areas that will be renovated and sold within six months. Rental Revenue from our U.S. single-family rental platform is expected to become a significant component of the principal investment business and the Company's earnings as our investment in the strategy grows and the rental properties are stabilized. Net income from the single-family rental portfolio is expected to increase materially in 2013.

Assets Under Management ("**AUM**") is a key measure for evaluating Contractual Fees and General Partner Distributions. From time to time, new as well as 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 projects 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 such syndicated commitments also increase AUM. It should be noted that these syndicated commitments are above, or in addition to, commitments already made to the funds. Any investments too large to fit into a fund and/or which do not meet an active fund's investment criteria will be managed outside of funds as a "side-car" investment and/or a separate investment account and will increase AUM. After the expiry of the Investment Period, AUM decreases as fund capital and/or syndicated commitments and/or separate investment accounts are paid down through investment realization. Additionally, any investments in single-family homes will increase AUM and any sale of U.S. rental property will decrease AUM.

For reporting purposes, **AUM** is defined as (i) capital commitments by investors in funds (including syndicated/sidecar investments and separate accounts) managed by Tricon that are paying Contractual Management Fees and/or General Partner Distributions; and (ii) direct investments made by the company using its own debt or equity. The calculation of AUM varies by investment vehicle, namely:

a) Funds: During a fund's investment period, AUM is equal to a fund's capital commitment. After the expiry of a fund's investment period, AUM is calculated as the lesser of (i) a fund's capital commitment; and (ii) a fund's invested capital plus unfunded commitments.
b) Syndicated/sidecar investments and separate accounts: AUM is equal to invested plus unfunded capital commitments less realized value.
c) Balance sheet investments: AUM is equal to fair market value.

Other key Company performance measures are "EBITDA", "Adjusted Base EBITDA" and "Adjusted EBITDA", and "Adjusted Net Income" with the second and third being the most relevant when evaluating overall performance.

Base Revenues are defined as all income and fees earned other than Performance Fees, while **Adjusted Base Revenues** are Base Revenues less Non-Recurring and Non-Cash items.

EBITDA refers to Earnings before Interest Expense, Income Taxes, Depreciation and Amortization. EBITDA is a standard measure used in our 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 since it will provide a consistent business performance metric over time.

Adjusted Base EBITDA refers to EBITDA adjusted for Performance Fees, the Performance Fee-Related Bonus Pool and Non-Recurring items of the business. This is intended to provide a consistent 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 after Amortization Expenses, Interest Expense and Provision for Income Taxes.

In management's opinion, the Adjusted Base EBITDA, Adjusted EBITDA, and Adjusted Net Income figures are the most useful measures of our performance as they exclude both Non-Recurring and Non-Cash Items, including a significant Long Term Incentive Plan ("LTIP") expense and Net Change in Fair Value of Derivative amount. Please see section "3.2 Adjusted Financial Information" below for adjusted results and section "3.3 Comprehensive Income (Loss)" for unadjusted or IFRS results and for reconciliation and explanation of adjustments made to IFRS measures.

In terms of its U.S distressed single-family rental platform, the Company believes that Single-Family Rental Gross Operating Income, Gross Yield and Capitalization Rate are important for evaluating its buy and hold rental portfolio and the Return on Investment metric is relevant for evaluating its inventory for sale or Inventory Homes. These metrics are determined as follows:

Single-Family Gross Operating Income ("SFGOI") refers to gross rent less operating expenses such as property management, property taxes, insurance, utilities and all other direct property expenses plus gross revenue from homes sold less cost of homes sold and selling costs. For clarity, SFGOI does not include asset management fees or performance fees paid to the Company's single-family rental operating partners, rental operator administrative expenses, Fair Value Adjustment on Investment Properties, and Impairment on Inventory Homes.

Single-Family Net Operating Income ("SFNOI") refers to SFGOI less Rental Operator Asset Management Fees, General & Administration Expenses and Professional Fees related thereto.

Gross Rental Operating Income ("GROI") margin refers to i) rental revenue less property level operating expenses (excluding asset management fees or performance fees paid to the Company's single-family rental operators) divided by ii) rental revenue.

Capital Invested is the aggregate of a home's purchase price, closing costs associated with its purchase and the cost of upfront improvements or renovation.

Gross Yield for a property refers to its gross rent divided by its Capital Invested.

Capitalization Rate for a rental property is defined as its SFGOI divided by its Capital Invested.

Return on Investment on Inventory Homes sold refers to the net realized proceeds on disposition divided by the Capital Invested.

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2. HIGHLIGHTS

2.1 Operations

- Total Adjusted Base Revenues for the quarter and year to date March 31, 2013 ("Q1 2013") increased by 374% from $3,299,000 to $15,642,000 when compared to quarter and year to date March 31, 2012 ("Q1 2012") primarily as a result of the contributions from Tricon's single-family home strategy, which was launched in Q2 2012.
- Adjusted Base EBITDA for Q1 2013 increased from $1,709,000 to $15,003,000 and Adjusted EBITDA increased from $1,709,000 to $15,007,000, a 778% increase over Q1 2012 primarily as a result of fair value adjustments in respect of Investment Properties.
- Similarly, Adjusted Net Income for Q1 2013 was $8,363,000, approximately 654% or $7,254,000 higher than the $1,109,000 earned in Q1 2012. As a result, Adjusted Basic Earnings per Share for Q1 2013 increased by 233% to $0.20 compared to $0.06 earned for the corresponding period in 2012.
- The Company's U.S. single-family platform generated Single-Family Gross Operating Income ("SFGOI") of $2,760,000 for Q1 2013. In addition to the SFGOI earned, the Company reported a fair market value adjustment in respect of its Investment Properties of $11,740,000 (net of operator performance fees potentially payable) which, when offset by other expenses, resulted in quarterly net income for this business segment of $13,981,000.
- As expected, single-family Gross Rental Operating Income margin improved to 61% in Q1 2013 compared to 53% for 2012. This improvement is a result of the portfolio's increasing occupancy rate which was 76% at quarter end, while the occupancy rate for homes owned six months or longer was 91%, a nominal decline from the previous quarter as a result of a typically slow winter leasing period (this rate increased to approximately 95% after accounting for leases signed in April, a historically strong leasing month). The portfolio's gross yield at quarter-end was approximately 14%, which continues to exceed expectations.
- During the quarter Tricon acquired 318 homes, increasing the current housing portfolio to 1,866 homes, of which 1,794 homes are rental stock and 72 homes were inventoried for sale. It should be noted that Q1 is typically "slow season" for both foreclosure sales and MLS sales and, as expected, acquisition volumes have increased to more normalized levels in Q2 2013. Tricon sold 34 Inventory Homes in Q1 2013 with a gross profit margin of approximately 8%, which equates to a 25% annualized non-compounded return.
- AUM for the quarter ended March 31, 2013 was nearly $1.2 billion - approximately $44.5 million higher than December 31, 2012 and approximately $167.5 million higher than March 31, 2012. This increase resulted from the higher capital deployed to the U.S. single-family rental strategy, the initial close of Tricon XI and the Cross Creek Ranch separate account, offset by run-off from the older funds.

2.2 Subsequent Events

- On May 8, 2013, the Board of Directors declared a dividend of 6 cents per share to shareholders of record on June 30, 2013 payable on July 15, 2013.
- On April 24, 2013, the Company entered into a 5 year lease for its new San Francisco office which will commence operations on June 1, 2013.

3. FINANCIAL REVIEW

Set out below is a comparative review of financial results for the quarter and year to date ended March 31, 2013 with those for the quarter and year to date ended March 31, 2012, which review should be read in conjunction with the unaudited condensed consolidated interim financial statements.

3.1 Balance Sheet Items

During Q1 2013, the Company's assets increased by approximately $109 million, primarily as a result of the proceeds raised from the $86 million convertible debenture offering completed in February 2013. Proceeds from the offering have been allocated to the single-family rental strategy. Liabilities are discussed in greater detail below following the discussion on assets/investments.

(Rounded to nearest thousands of dollars)

	March 31, 2013	December 31, 2012
Total Assets	$ 349,024,000	$ 239,689,000
Total Liabilities	200,492,000	98,394,000
Equity	$ 148,532,000	$ 141,295,000

3.1.1 Total Assets

Assets

	March 31, 2013	December 31,2012
Cash, Cash Equivalents, Short-term and Long-term Investments Available for Investment	$ 89,521,000	$ 42,415,000
Investment Properties and Inventory Homes (1)	210,889,000	154,147,000
Investment in Tricon Funds	20,117,000	17,283,000
Investment in Cross Creek Ranch	13,980,000	14,043,000
Other Current and Non-Current Assets, Intangibles and Deferred Tax Assets	14,517,000	11,801,000
Total Assets	**$ 349,024,000**	**$ 239,689,000**

(1) Includes Non-Controlling Interests.

Cash Available for Investment

After deducting offering expenses, the Company received net proceeds of approximately $82 million from its convertible debenture offering in February 2013. During the quarter, the Company advanced US$45,669,000 to the U.S. single-family rental partnerships. In addition, the Company advanced US$1,758,000 to Tricon XI (US$11,137,000 over 2012) and $329,000 to Tricon XII ($6,028,000 over 2012).

Properties Held for Rent and Sale

At the end of Q1 2013 the Company had advanced US$186,756,000 to its five operating partnerships, with operating partner co-investment of US$13,998,000, for a total capital investment of US$200,754,000. In addition, at the end of the quarter there was US$17,647,000 of borrowings at the partnership level, resulting in US$218,401,000 of total capital invested. Of this amount, US$25,028,000 was held in cash operating accounts to satisfy future property purchases, leaving approximately US$193,373,000 invested in properties. When converted to Canadian dollars and including fair value adjustments, the total investment recorded on Tricon's balance sheet was CA$210,889,000. Please see Section 6 "Single-Family Portfolio" for further detailed information on the single-family home rental portfolio.

U.S. Single-Family Portfolio

(in US dollars rounded to thousands)

Operating Partner	Geography	Total Capital Invested [1]	Borrowings	Investments [2] Rental	Under Renovation	Inventory Homes [3]	Total	Total Units Acquired	Units Sold
29th Street Capital	Sacramento	$ 39,765,000	$ 12,055,000	$ 30,202,000	$ 7,866,000	$ 5,521,000	$ 43,589,000	402	51
McKinley Partners	San Francisco Bay, Inland California, Reno	55,032,000	5,592,000	36,798,000	18,381,000	869,000	56,048,000	353	-
Casa Vista	Phoenix	37,196,000	-	24,794,000	2,042,000	4,251,000	31,087,000	279	31
Lake Success	Southeast Florida, Charlotte	62,575,000	-	45,004,000	12,595,000	3,159,000	60,758,000	899	2
Turnstone	Los Angeles	6,186,000	-	-	1,647,000	244,000	1,891,000	17	-
Total		**$ 200,754,000**	**$ 17,647,000**	**$ 136,798,000**	**$ 42,531,000**	**$ 14,044,000**	**$ 193,373,000**	**1,950**	**84**

Notes:

1. Cash advanced by limited partner and general partner to the single-family partnerships.
2. Investment balances are presented at cost.
3. Inventory Homes are homes purchased on an opportunistic basis specifically for resale.

Investments in Tricon Funds

The Company has committed US$25,000,000 to US fund Tricon XI and $20,000,000 to Canadian fund Tricon XII. At Q1 2013, the Company had funded US$12,895,000 and $6,357,000 to Tricon XI and Tricon XII, respectively, resulting in unfunded commitments of US$12,015,000 and $13,643,000, respectively. The balance of the commitment should be funded over the next 2-3 years as Tricon XI and Tricon XII make additional investments. At the end of Q1 2013, the fair value of the investment in Tricon XI was $13,807,000 (US$13,590,000) and in Tricon XII was $6,247,000 – a not unexpected result as the Company's funds typically incur (start-up) losses or nominal income in their formative years.

Investment in Cross Creek Ranch

Tricon has committed approximately 10% (or US$14.4 million) of the required capital to the Cross Creek Ranch separate investment account, with the balance being committed by Tricon's institutional partner and by the developer of the project. The Company's commitment consists of an equity component of US$5.4 million and a loan commitment of US$9.0 million. At March 31, 2013, the Company had advanced US$12.5 million in aggregate for this transaction and received cash income distributions of approximately US$1.6 million. At Q1 2013, the Company's investment consisted of a loan of $7,419,000 (US$7,302,000) and an equity component fair value of $6,561,000 (US$6,458,000), including a fair value adjustment of $1,805,000 (US$1,776,000), for a total of $13,980,000. Although still in very early stages, the investment (debt and equity) appears to be meeting or exceeding expectations and is anticipated to produce a net IRR to the Company of 22.1% plus fees.

3.1.2 Total Liabilities

Liabilities

	March 31, 2013	December 31,2012
Bank Debt (1)	$ 17,432,000	$ 7,757,000
Derivative Financial Instruments	42,363,000	23,921,000
Debentures Payable	99,316,000	33,756,000
Borrowings	**159,111,000**	**65,434,000**
Other Current Liabilities	8,644,000	9,744,000
Non-Controlling Interest	16,027,000	11,496,000
Other Long-term Liabilities	100,000	
Long-Term Incentive Plan and Deferred Income Tax Liabilities	16,710,000	11,720,000
Total Liabilities	**$ 200,492,000**	**$ 98,394,000**

(1) Includes current and non-current portion of bank debt. The debt is shown net of loan fees paid to the bank.

Borrowings

The Company has secured combined credit facilities of approximately US$17.6 million from two regional California banks, which were fully advanced at March 31, 2013. The 29th Street Capital credit facilities have a fixed annual interest rate of 5% with interest only payable monthly to March 1, 2018. The McKinley demand credit facility has fixed annual interest rate of 4.25% with interest only payable for the first year and thereafter fixed blended payments of US$26,000 per month with interest based on the Wall Street Journal Prime Rate plus 1.5%.

The Company completed a convertible debenture offering in February 2013 for $86 million at an annual interest rate of 5.6%, payable semi-annually at the end of March and September. Net proceeds from the convertible debenture amounted to approximately $82 million. This offering combined with the July 2012 convertible debenture offering of $51.75 million results in total convertible debt of $137.75 million outstanding at March 31, 2013. Due to the conversion and redemption options available within both series of debentures, the fair value of the convertible debentures has been bifurcated between a “debenture payable” amount of $99.3 million (net of offering costs of $6.8 million) and an “embedded derivative payable” of $42.4 million. The embedded derivative is fair valued on a quarterly basis through an adjustment to the income statement. At March 31, 2013, the fair value of the Derivative Financial Instrument and the amortized Debenture Payable was $141.7 million (compared to the $137.8 million plus accrued interest of $0.7 million owing under the facility).

The Company has a 3 year term facility and a demand facility with The Royal Bank of Canada for a combined operating line of $15 million. The interest rate ranges between prime plus 2% to prime plus 2.5% depending on certain quarterly financial covenants. No funds were drawn under this facility at March 31, 2013.

Current Liabilities

Current liabilities for Q1 2013 decreased over 2012 as a result of the following: (i) payments made to tax authorities for the 2012 fiscal year, and (ii) interest expense paid on the $51.75 million convertible debenture.

Non-Controlling Interest

The single-family rental operations have been consolidated by the Company and the Non-Controlling Interest (“NCI”) represents the interest owned by the single-family rental operators of $16,027,000 (US$15,775,000). The NCI value is calculated on a liquidation basis by running the total value of single-family rental assets, net of disposition expenses, through the waterfall calculations outlined in the various limited partnership agreements.

Long-term Liabilities

The long-term liabilities consist of preferred shares issued by the Company’s REIT. There are 125 preferred shares issued at US$1,000 per share which are entitled to receive cumulative, preferred distributions at 12.5% per annum.

3.2 Adjusted Financial Information

The following pro-forma information reflects how the Company evaluates its on-going performance. Accordingly, management has prepared the Adjusted Financial Information set out below to generate the key business performance metrics of Adjusted Base EBITDA, Adjusted EBITDA, and Adjusted Net Income. In preparing these, management has eliminated both Non-Recurring and Non-Cash Items (in particular, accrued LTIP expenses, Net Change in Fair Value of Derivative, Stock Compensation Expense as well as other Non-Recurring Expenses as shown in section "3.3 Comprehensive Income (Loss)" below).

	As at			Increase (Decrease)	
	March 31, 2013	December 31, 2012	March 31, 2012	Quarter	Year over Year
Assets Under Management	$ 1,159,917,000	$ 1,115,433,000	$ 992,371,000	$ 44,484,000	$ 167,546,000

AUM increased in the quarter and year over year primarily as a result of: (i) increased direct investment in U.S. single-family rental properties of $56.5 million and $196.8 million, respectively, (ii) the Cross Creek separate account assets of $146.3 million acquired in Q2 2012 and (iii) the initial close of Tricon XI with commitments of US$125 million which took place in Q3 2012; which were offset by (iv) the removal of funds VI and VII due to the completion of their respective fee generating terms on September 15, 2012 thereby reducing AUM by $296.4 million, and (v) foreign exchange fluctuations. The U.S. dollar was equal to CA$1.016 at March 31, 2013 compared to CA$0.9949 at December 31, 2012 and CA$0.9975 at the end of March 31, 2012.

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Selected Income Statement Information

(Rounded to nearest thousands of dollars)

	For the Three Months Ended March 31		
	2013	2012	Variance
Contractual Fees	$ 2,147,000	$ 1,871,000	$ 276,000
General Partner Distribution Tricon XII	730,000	1,228,000	(498,000)
Investment Income (Loss)	465,000	35,000	430,000
Rental Revenue	3,521,000	-	3,521,000
Revenue from Inventory Homes Sold	8,408,000	-	8,408,000
Interest Income	371,000	165,000	206,000
Adjusted Base Revenues	**15,642,000**	**3,299,000**	**12,343,000**
Salaries and Benefits	1,204,000	936,000	(268,000)
Rental Expenses	1,366,000	-	(1,366,000)
Rental Operator Asset Management Fees	578,000	-	(578,000)
Cost of Inventory Homes Sold	7,803,000	-	(7,803,000)
Professional Fees	628,000	192,000	(436,000)
Directors' Fees	104,000	54,000	(50,000)
General and Administration Expenses	419,000	209,000	(210,000)
Interest Expense	1,639,000	-	(1,639,000)
Non-Controlling Interest	164,000	-	(164,000)
Adjusted Base Operating Expenses	**13,905,000**	**1,391,000**	**(12,514,000)**
Adjusted Base Operating Income	**1,737,000**	**1,908,000**	**(171,000)**
Management Fee-Related Bonus Pool (1)	(218,000)	(199,000)	(19,000)
Interest Expense	1,639,000	-	1,639,000
Fair Value Adjustment on Investment Properties (2)	11,740,000	-	11,740,000
Impairment on Inventory Homes	105,000	-	105,000
Adjusted Base EBITDA	**15,003,000**	**1,709,000**	**13,294,000**
Performance Fees	8,000	-	8,000
Performance Fee-Related Bonus Pool	(4,000)	-	(4,000)
Adjusted EBITDA	**15,007,000**	**1,709,000**	**13,298,000**
Interest Expense	(1,639,000)	-	(1,639,000)
Amortization	(156,000)	(290,000)	134,000
Income Tax (Expense) Recovery	(4,849,000)	(310,000)	(4,539,000)
Adjusted Net Income	**$ 8,363,000**	**$ 1,109,000**	**$ 7,254,000**
Adjusted Basic and Diluted Earnings Per Share	**$0.20**	**$0.06**	
Weighted Average Shares Outstanding - Basic	**41,754,012**	**18,230,471**	
Weighted Average Shares Outstanding - Diluted	**42,422,929**	**18,230,471**	

(1) At the end of Q3 2012, management removed unrealized foreign exchange gain/loss from the Management Fee-Related Bonus Pool calculation. In addition, any fair market value adjustment on investment properties and impairment on inventory homes is currently excluded from the Management Fee-Related Bonus Pool.

(2) Fair Value Adjustment on Investment Properties of $14,506,000 was recorded in the quarter. This resulted in Rental Operator Performance Fees of $2,766,000 for a net fair value adjustment of $11,740,000.

As a result of the abovementioned changes in AUM, Contractual Fees for Q1 2013 increased by $276,000 when compared to the corresponding period in the prior year. General Partner Distributions from Tricon XII were $498,000 higher in Q1 2012 as a result of a one-time “catch-up” amount on final close of the fund in that quarter.

Investment Income increased for Q1 2013 by $430,000 in comparison to the prior year as a result of increased co-investments in Cross Creek Ranch, U.S. distressed fund Tricon XI and Canadian fund Tricon XII. In Q1 2012, only the Tricon XII investment was committed with approximately 15% of the commitment advanced to that fund.

Rental Revenue of $3,521,000 was earned in Q1 2013 with 1,355 of the Company’s 1,794 U.S rental homes leased for at least a portion of the quarter. It should be noted that it typically takes approximately 90 days for a newly acquired rental property to generate “cash flow” given the lag time required for rehab and marketing. Rental Revenue will continue to increase as the remaining homes are renovated and put into service. Rental Expenses for Q1 2013 amounted to $1,366,000 resulting in Gross Rental Operating Income for Q1 2013 of $2,155,000. The Gross Rental Operating Income Margin for Q1 2013 was 61% compared to 53% at fiscal year-end 2012. The improved margin resulted primarily from increased occupancy rates across the portfolio.

During Q1 2013, the Company sold 34 Inventory Homes and generated Revenue from Homes Sold of $8,408,000. This was offset by the Cost of Homes Sold, including selling expenses, of $7,803,000 for Q1 2013 resulting in $605,000 of profit - a gross profit margin of 8%, equivalent to a 25% annualized non-compounded return.

For Q1 2013, Rental Operator Asset Management Fees were $578,000. Rental Operator Performance Fees of $2,766,000 relate to imputed performance fees earned by the rental operators based on the current value of the portfolio. It is important to note that the performance fees will not be paid until a liquidity event occurs and until then may fluctuate higher or lower based on ongoing fair value adjustments.

The Investment Properties were fair valued at quarter-end, mainly using an Automated Valuation Model (“AVM”). AVM’s are utilized widely in the industry to value large quantities of single family homes by comparing homes against recent sales and available homes for sale within close proximity to the subject property. An alternative valuation method of Broker Priced Opinion (“BPO”) was utilized when AVM values were unavailable. The resulting Fair Value Adjustment on Investment Properties was an increase of $14,506,000, primarily in the value of the Charlotte portfolio. Since the Charlotte assets were acquired at the end of December 2012, the acquisition price was deemed to represent fair value at year-end. In computing the Fair Value Adjustment of the Investment Properties, the adjustment was the difference between the fair values determined by the AVM and the book value of those properties (being the aggregate of the purchase price and capital expenditures). This increase in the Fair Value of Investment Properties generated an unrealized rental operator performance fee of $2,766,000 for a net increase of $11,740,000. Unlike Investment Properties (rental homes) that must be fair valued, Inventory Homes must be carried at the lower of cost and net realizable value which resulted in a reversal of impairments previously taken on Inventory Homes of $105,000.

In total, excluding fair value adjustments and unrealized performance fees, Single-Family Gross Operating Income (“SFGOI”) for the U.S. single-family platform for Q1 2013 amounted to $2,760,000, compared to the $2,012,000 earned during year ended 2012. See Section 6 “Single-Family Rental Portfolio” below.

Interest Income consists of interest earned on cash, short-term and long term investments as well as on the loan component of Tricon’s Cross Creek Separate Account co-investment. The increase for Q1 2013 of $206,000 in comparison to the same period in the prior year primarily relates to interest income earned from the Cross Creek loan and from the February 2013 convertible debenture offering proceeds temporarily on hand.

Salaries and Benefits for Q1 2013 increased by $268,000 over Q1 2012 as a result of the hiring over the past 12 months of a senior investment professional, a senior single-family rental executive, an investment analyst and two administrative staff members as well as normal increases in base salaries.

Management Fee-Related Bonus Pool ("STIP") was calculated as 12.5% of Adjusted Base Operating Income, as approved by the Company's Board of Directors.

Professional Fees increased in Q1 2013 by $436,000 when compared to the corresponding period in the prior year. During the quarter, one-time legal fees of $316,000 were incurred for the single-family REIT restructuring and for new corporate strategic initiatives; audit and tax consulting fees increased from $32,000 to $125,000 to cover the change in scope associated with the single-family rental strategy.

Directors' Fees increased in Q1 2013 by $50,000 as a result of added meetings held and an increase in the value of Deferred Share Units ("DSU") held. The directors have the right to participate in the Company's DSU Plan and receive all or a portion of their compensation in the form of DSU's. Two of the directors participate in the plan and the units held are fair valued at the end of each quarter.

General and Administration Expense increased in Q1 2013 by $210,000 when compared to the corresponding periods in the prior year. The increase was a result of increased public company costs, travel and corporate overhead relating to the single-family rental strategy.

Interest Expense for Q1 2013 was $2,307,000 and relates to interest incurred in respect of the July 2012 and February 2013 convertible debentures as well as the nominal borrowings for the single-family rental portfolio. After adjustments for amortization of bond discount, the actual interest payable was $1,639,000 for Q1 2013.

Therefore, for the reasons noted above, Adjusted Base EBITDA and Adjusted EBITDA changed dramatically in Q1 2013 to $15,003,000 and $15,007,000, respectively, an increase of $13,294,000 and $13,298,000, respectively, when compared to the corresponding period in 2012. As mentioned in previous reports, minimal Performance Fees are expected in 2013 as a result of the anticipated lag time before the realization of investments in the current active funds.

Income tax expense of $4,849,000 consists of $3,375,000 deferred tax expense and a current tax expense of $1,474,000. Of the deferred tax expense, $3,354,000 is in respect of fair value adjustments for investment properties, $682,000 for equity issuance costs, $568,000 for debenture issuance costs and $192,000 for prior year adjustments, offset by $1,400,000 for net operating losses and $21,000 for other items.

Finally, Adjusted Net Income in Q1 2013 was higher by $7,254,000 than the corresponding period in 2012 as a result of the factors mentioned above as well as the tax effect of certain adjustments, as described in section "3.3 Net Income (Loss)".

3.3 Net Income (Loss)

Net income from consolidated condensed interim financial statement summary:

	(Rounded to nearest thousands of dollars) For the Three Months Ended March 31		
	2013	2012	Variance
Total Revenues (Table 1)	$ 15,650,000	$ 3,299,000	$ 12,351,000
Total Expenses (Table 2)	(2,338,000)	(2,950,000)	612,000
Non-Controlling Interest Fair Value Change	(2,431,000)	-	(2,431,000)
Income Tax Expense	(4,495,000)	(106,000)	(4,389,000)
Net Income for the Period	**$ 6,386,000**	**$ 243,000**	**$ 6,143,000**
Basic and Diluted Income (Loss) per Share	**$ 0.15**	**$ 0.01**	

Table 1: Total Revenues

	(Rounded to nearest thousands of dollars) For the Three Months Ended March 31		
	2013	2012	Variance
Adjusted Base Revenues	$ 15,642,000	$ 3,299,000	$ 12,343,000
Performance Fees	8,000	-	8,000
Total Revenues for the Period	**$ 15,650,000**	**$ 3,299,000**	**$ 12,351,000**

Table 2: Total Expenses

	(Rounded to nearest thousands of dollars) For the Three Months Ended March 31		
	2013	2012	Variance
Adjusted Base Operating Expenses	$ 13,905,000	$ 1,391,000	$ 12,514,000
Short-term Incentive Plan	218,000	199,000	19,000
Long-Term Incentive Plan Expense	1,341,000	433,000	908,000
Stock Compensation	168,000	293,000	(125,000)
Impairment on Home Inventory	(105,000)	-	(105,000)
Formation Costs - New Funds	-	24,000	(24,000)
Fair Value Adjustment on Investment Properties	(14,506,000)	-	(14,506,000)
Interest Expense	668,000	-	668,000
Net change in fair value of financial instruments	1,180,000	-	1,180,000
Amortization	156,000	290,000	(134,000)
Non-Controlling Interest	(164,000)	-	(164,000)
Realized and Unrealized Foreign Exchange (Gain) Loss	(523,000)	320,000	(843,000)
Total Expenses for the Period	**$ 2,338,000**	**$ 2,950,000**	**$ (612,000)**

The following is a reconciliation of Comprehensive Income to Adjusted Net Income showing both Non-Recurring and Non-Cash adjustments.

(Rounded to nearest thousands of dollars)

	For the Three Months Ended March 31		
	2013	2012	Variance
Net Income for the Period	$ 6,386,000	$ 243,000	$ 6,143,000
Adjustments:			
Long-Term Incentive Plan	1,341,000	433,000	908,000
Long-Term Incentive Plan Actual	(4,000)	-	(4,000)
Stock Compensation Expense	168,000	293,000	(125,000)
Formation Costs - New Funds	-	24,000	(24,000)
Interest Expense (including bond discount amortization)	2,307,000	-	2,307,000
Interest Expense Payable	(1,639,000)	-	(1,639,000)
Net Change in Fair Value of Derivative	1,180,000	-	1,180,000
Unrealized Foreign Exchange (Gain) Loss	(523,000)	320,000	(843,000)
Rental Operator Performance Fees	(2,766,000)	-	(2,766,000)
Non-Controlling Interest	(164,000)	-	(164,000)
Non-Controlling Interest Fair Value Change	2,431,000	-	2,431,000
Total Non-Recurring and Non-Cash Adjustments	2,331,000	1,070,000	1,261,000
Tax Effect of Above Adjustments (Expense)	(354,000)	(204,000)	(150,000)
Non-Recurring and Non-Cash Adjustments after Taxes	1,977,000	866,000	1,111,000
Adjusted Net Income	**$ 8,363,000**	**$ 1,109,000**	**$ 7,254,000**

The Company is required under IFRS to estimate potential amounts payable pursuant to the Company's LTIP based on the estimated fair value of assets within funds managed by the Company at each reporting period, resulting in a LTIP expense for Q1 2013 of $1,341,000 in respect of potential future LTIP. It should be noted that LTIP is only paid when and if the corresponding Performance Fees are earned in the future. Therefore, management is of the opinion that Net Income (Loss) is not a good indicator of the Company's current performance or of its future prospects. Accordingly, potential LTIP payments have been removed in calculating Adjusted Net Income above. LTIP payments made in respect of Performance Fees actually earned during the corresponding reporting periods are included in the determination of Adjusted Net Income. LTIP payments made for Q1 2013 were $4,000 versus $NIL in Q1 2012. Adjusting Net Income (Loss) for these items and other Non-Recurring and Non-Cash items generates the Adjusted Net Income amounts shown above – which are more indicative of the Company's performance.

The Company is required to fair value the derivative component of the Company's convertible debentures quarterly, resulting in a large non-cash charge to the income statement. The Net Change in Fair Value of Derivative for Q1 2013 of $1,180,000 is related to the July 2012 and February 2013 convertible debentures and results from the fair valuation of the embedded derivative as mentioned above. The Net Change in Fair of Value Derivative is a non-cash item and has therefore been removed when calculating Adjusted Net Income.

Stock Compensation Expenses incurred relate to stock options issued to employees in 2010 and 2011 and 161,500 phantom units issued to employees and directors during Q1 2013. Stock Compensation Expenses incurred for Q1 2012 included 192,300 phantom units issued in November 2011 to employees which were fully exercised in December 2012. This item has been removed from the Company's performance metrics due to its non-cash nature.

Formation Costs relating to Tricon XI which were expensed in Q1 2012 were recovered on the initial close of Tricon XI in Q3 2012. Since Formation Costs and the related recoveries are a flow through to the Company's funds and are generally recovered from the limited partners of the new funds in fund formation, they have been removed when calculating Adjusted Net Income.

Interest Expense relating to the July 2012 and February 2013 convertible debentures consists of actual interest payable to debenture holders, the amortization of the convertible debenture costs and the amortization of the bond discount. Interest Expense has been adjusted to eliminate the amortization of the bond discount due to its non-cash item which has therefore been removed when calculating Adjusted Net Income.

The Unrealized Foreign Exchange Gain for Q1 2013 was $523,000 compared to the Loss of $320,000 in Q1 2012. As stated, these Foreign Exchange gains or losses are unrealized and occur from the translation of U.S. cash balances held by the Company and non-self sustaining US subsidiaries that have a Canadian dollar functional currency. It should be noted that foreign exchange movements do not expose the Company to near term economic gains or losses since the Company does not convert U.S. dollars into Canadian dollars, which would crystallize the gains or losses. Instead, it retains the U.S. dollars earned for investment in future U.S. funds and direct investments. Therefore, due to the nature of this item, its impact has been removed when calculating the Adjusted Base EBITDA, Adjusted EBITDA and Adjusted Net Income amounts set out above. Notwithstanding the foregoing, since the Company has raised convertible debentures repayable in Canadian dollars and has invested the proceeds into U.S. assets, hedging alternatives are currently being investigated.

Effective Q1 2013, the single-family entities are no longer considered as an extension of the parent and, as a result, the single-family Unrealized Foreign Exchange Gain of $3,293,000 was recorded in Cumulative Translation Reserves through Other Comprehensive Income.

The Non-Controlling Interest, which relates to the operating partners' minority interest in various single-family rental partnerships, amounted to $164,000 and was included in Adjusted Net Income. The Non-Controlling Interest Fair Value Change for Q1 2013 was $2,431,000 and relates to their share of the net assets of the five rental partnerships and includes unrealized performance fees payable to the rental operators. The Non-Controlling Interest Fair Value Change of $2,431,000 was calculated based on the estimated fair value of the net assets of the partnership after taking into account the participation payments made pursuant to the waterfall calculations as outlined in the respective partnership agreements and therefore is not reflective of the income owing to the rental operators and was removed from Adjusted Net Income.

Please see "3.2 Adjusted Financial Information" above for more detailed explanations.

3.4 Summary of Quarterly Results

In aggregate, Contractual Fees and General Partner Distributions were stable through 2011, increased in Q1 2012 due to the final close of Tricon XII, increased again by US$1.3 million in Q2 2012 to $4,360,000 due to one-time acquisition fees on the Cross Creek Ranch investment and normalized in the latter half of 2012 at approximately $3,000,000 per quarter with the initial close of our U.S. distressed fund Tricon XI. For Q1 2013, Contractual Fees decreased by $50,000 from Q4 2012 as a result of distributions made to limited partners in Tricon VIII, which in turn decreased the invested capital base. This decrease will continue as Tricon VIII investments are expected to be realized over this year and next year. This should ultimately result in Performance Fees, which will commence once capital and preferred return are fully repaid to limited partners. The trend in Contractual Fees and General Partner Distributions also correlates with the Company's Assets Under Management.

Performance Fees are less predictable on a quarterly basis but as previously mentioned are expected to be negligible for 2013.

The single-family rental income is expected to ramp up materially in 2013 as existing homes are rented and additional homes are purchased, renovated and then leased. SFNOI for Q1 2013 was $2,136,000 and increased by $797,000 compared to Q4 2012. Please see section 6 "Single-Family Rental Portfolio" below for a detailed analysis.

Investment Income received from our co-investment in Tricon XI, Tricon XII and Cross Creek Ranch is expected to continue increasing as committed capital is fully deployed and additional investments are made in the funds. The Q4 2012 investment income includes a fair value adjustment of $1,957,000 on the Cross Creek Ranch investment.

Total expense trends have been adjusted for various Non-Recurring and Non-Cash items including Net Change in Fair Value of Derivative, LTIP, Stock Compensation Expense, Formation Costs, Interest Expense which includes a bond discount amortization, Unrealized Foreign Exchange (Gain) Loss, and the Non-Controlling Interest. Once the financial results are adjusted for these items, quarterly performance trends are more indicative of operating performance. Adjusted Base EBITDA, Adjusted EBITDA and Adjusted Net Income for Q3 2012 were higher as a result of a one-time Gain on Sale of Investment in Associates incurred as a result of the warehoused assets transferred to Tricon XI. For Q1 2013, Adjusted Base EBITDA and Adjusted EBITDA continued to increase over prior quarters as the Company's growth plans start to produce results, with the single-family home rental portfolio showing increases in both fair market value and occupancy rates. These quarterly metrics are presented on the next page.

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	For the Three Months Ended							
	31-Mar-2013	31-Dec-2012	30-Sep-2012	30-Jun-2012	31-Mar-2012	31-Dec-2011	30-Sep-2011	30-Jun-2011
Key Non-IFRS Performance Measures								
Assets Under Management	**1,159,917,000**	**$1,115,433,000**	**$1,053,312,000**	**$1,193,152,000**	**$992,371,000**	**$964,108,000**	**$961,548,000**	**$927,434,000**
Adjusted Base EBITDA	$15,003,000	$3,357,000	$3,375,000	$2,912,000	$1,709,000	$1,202,000	$1,089,000	$1,288,000
Adjusted EBITDA	$15,007,000	$3,363,000	$3,379,000	$2,949,000	$1,709,000	$1,202,000	$1,091,000	$1,347,000
Adjusted Net Income	$8,363,000	$846,000	$1,692,000	$1,994,000	$1,109,000	$608,000	$592,000	$681,000
Adjusted Basic and Diluted Earnings per Share	**$0.20**	**$0.02**	**$0.05**	**$0.07**	**$0.06**	**$0.03**	**$0.03**	**$0.04**

The following quarterly information was taken from the Company's unaudited quarterly financial statements.

Income Statement Information								
Contractual Management Fees	$ 2,147,000	$ 2,197,000	$ 2,472,000	$ 3,445,000	$ 1,871,000	$ 2,315,000	$ 2,257,000	$ 2,212,000
General Partner Distribution	730,000	743,000	744,000	915,000	1,228,000	527,000	541,000	73,000
Performance Fees	8,000	12,000	8,000	75,000	-	-	5,000	119,000
Investment Income	465,000	2,318,000	143,000	98,000	35,000	(82,000)	(143,000)	(4,000)
Rental Revenue	3,521,000	1,504,000	696,000	91,000	-	-	-	-
Revenue from Inventory Homes Sold	8,408,000	6,366,000	4,725,000	-	-	-	-	-
Gain on Sale of Investment in Associates	-	-	958,000	-	-	-	-	-
Interest Income	371,000	383,000	408,000	402,000	165,000	181,000	119,000	170,000
Total Revenues	**15,650,000**	**13,523,000**	**10,154,000**	**5,026,000**	**3,299,000**	**2,941,000**	**2,779,000**	**2,570,000**
Salaries and Benefits	1,204,000	1,069,000	977,000	937,000	936,000	928,000	854,000	867,000
Short-Term Incentive Plan	218,000	734,000	(35,000)	545,000	199,000	119,000	356,000	199,000
Long Term Incentive Plan	1,341,000	93,000	877,000	330,000	433,000	(257,000)	543,000	1,507,000
Stock Compensation Expense	168,000	210,000	231,000	252,000	293,000	184,000	100,000	140,000
Rental Expense	1,366,000	740,000	296,000	33,000	-	-	-	-
Rental Operator Management Fees	578,000	356,000	263,000	-	-	-	-	-
Impairment on Inventory Homes	(105,000)	332,000						
Cost of Inventory Homes Sold	7,803,000	5,949,000	4,352,000	-	-	-	-	-
Professional Fees	628,000	781,000	556,000	259,000	192,000	253,000	138,000	271,000
Directors Fees	104,000	51,000	97,000	45,000	54,000	42,000	32,000	37,000
Formation Cost	-	-	(265,000)	49,000	24,000	25,000	62,000	218,000
Fair value adjustment on investment propeties	(14,506,000)	(254,000)	-	-	-	-	-	-
General and Administration Expense	419,000	334,000	265,000	220,000	209,000	397,000	221,000	180,000
Interest Expense	2,307,000	1,510,000	967,000	-	-	-	-	-
Net Change in Fair Value of Financial Instruments Through (Profit) Loss	1,180,000	5,328,000	2,343,000	-	-	-	-	-
Amortization	156,000	305,000	290,000	275,000	290,000	350,000	351,000	307,000
Realized and Unrealized Foreign Exchange (Gain) Loss	(523,000)	(625,000)	3,058,000	(906,000)	320,000	467,000	(1,216,000)	23,000
Total Expenses	**2,338,000**	**16,913,000**	**14,272,000**	**2,039,000**	**2,950,000**	**2,508,000**	**1,441,000**	**3,749,000**
Income (Loss) Before Non-Controlling Interest and Income Taxes	13,312,000	(3,390,000)	(4,118,000)	2,987,000	349,000	433,000	1,338,000	(1,179,000)
Non-Controlling Interest	(2,431,000)	355,000	(24,000)	1,000	-	-	-	616,000
Income (Loss) Before Income Taxes	10,881,000	(3,035,000)	(4,142,000)	2,988,000	349,000	433,000	1,338,000	(563,000)
Income Tax (Expense) Recovery	(4,495,000)	(493,000)	56,000	(829,000)	(106,000)	(178,000)	(345,000)	54,000
Net income (loss)	**6,386,000**	**(3,528,000)**	**(4,086,000)**	**2,159,000**	**243,000**	**255,000**	**993,000**	**(509,000)**
Basic and Diluted Earnings per Share	**$ 0.15**	**$ (0.10)**	**$ (0.13)**	**$ 0.08**	**$ 0.01**	**$ 0.01**	**$ 0.05**	**$ (0.03)**
Weighted Average Shares Outstanding	41,754,012	34,696,264	31,167,971	26,855,471	18,230,471	18,237,404	18,240,871	18,240,871
Weighted Average Shares Outstanding - Diluted	42,422,929	34,696,264	31,167,971	26,855,471	18,230,471	18,237,404	18,240,871	18,240,871

3.5 Segmented Information

Segmented information is provided below for a greater understanding of Adjusted EBITDA generated from the different business segments before and after overhead allocation. The main business segments of the Company are Private Funds, which consist of comingled funds and separate accounts, and Principal Investing, which in turn is comprised of co-investment into Private Funds and our U.S. single-family home rental platform. Overhead expenses that relate to specific business lines were allocated to the business line in question and non-specific expenses were allocated to each business segment based on their average AUM in relation to total AUM for the quarter.

The Company believes this general overhead allocation method is practical in the long term but in the shorter term can skew margins as fully stabilized business lines will "subsidize" new lower AUM business lines in start-up mode. For example, if we were to allocate Q1 2012 corporate overhead to our Private Funds business and then allocate all incremental overhead thereafter to Principal Investing (as most of this overhead was used to support single-family rental), then the Private Fund Adjusted EBITDA margin for Q1 2013 would be 46% rather than the 37% shown below. It should be noted that in Q1 2013, the Adjusted EBITDA margin of 56% for the single-family home business was skewed by the fair value adjustment (net of rental operator performance fees potentially payable) of $11,740,000. If this is removed, the margin would be $2,192,000 or 17%, which we believe is low and reflects the "gestation period" required to stabilize the portfolio and other start-up costs. We expect this margin to improve meaningfully over time.

As can be seen below, the Company's principal investing business segment has grown substantially in the last twelve months and is expected to grow throughout 2013.

	For the Three Months Ended March 31, 2013				
	Private Funds	Co-Investments	Single-Family Homes	Principal Investing Subtotal	Total
Adjusted Base Revenues	$ 2,877,000	$ 836,000	$ 11,929,000	$ 12,765,000	$ 15,642,000
Fair Value Adjustment on Investment Properties, Net	-	-	11,740,000	$ 11,740,000	$ 11,740,000
Impairment on Inventory Homes	-	-	105,000	$ 105,000	$ 105,000
Total Revenue	2,877,000	836,000	23,774,000	24,610,000	27,487,000
Direct Expenses	-	-	9,169,000	9,169,000	9,169,000
Overhead Allocation	1,806,000	165,000	602,000	767,000	2,573,000
Rental Operator Management Fees	-	-	578,000	578,000	578,000
Non-Controlling Interest	-	-	164,000	164,000	164,000
	1,806,000	165,000	10,513,000	10,678,000	12,484,000
Adjusted Base EBITDA	**1,071,000**	**671,000**	**13,261,000**	**13,932,000**	**15,003,000**
Performance Fees	8,000	-	-	-	8,000
Performance Fee-Related Bonus Pool	(4,000)	-	-	-	(4,000)
Adjusted EBITDA	**$ 1,075,000**	**$ 671,000**	**$ 13,261,000**	**$ 13,932,000**	**$ 15,007,000**
Adjusted EBITDA margin (Adjusted EBITDA/Total Revenue)	37%	80%	56%	57%	55%

	For the Three Months Ended March 31, 2012				
	Private Funds	Co-Investment	Single-Family Homes	Principal Investing Subtotal	Total
Adjusted Base Revenues	$ 3,239,000	$ 60,000	$ -	$ 60,000	$ 3,299,000
Total Revenue	3,239,000	60,000	-	60,000	3,299,000
					-
Overhead Allocation	1,562,000	28,000	-	28,000	1,590,000
Adjusted Base EBITDA	**1,677,000**	**32,000**	**-**	**32,000**	**1,709,000**
Performance Fees	-	-	-	-	-
Performance Fee-Related Bonus Pool	-	-	-	-	-
Adjusted EBITDA	**$ 1,677,000**	**$ 32,000**	**$ -**	**$ 32,000**	**$ 1,709,000**
Adjusted EBITDA margin (Adjusted EBITDA/Total Revenue)	52%	53%	N/A	53%	52%

4. BUSINESS OUTLOOK

Fundraising efforts are progressing for U.S. distressed fund Tricon XI as an initial close on the fund occurred in Q3 2012 for US$125 million, including Tricon's US$25 million co-investment. It should be noted that the Limited Partnership Agreement for this fund allows for subsequent closings for up to fifteen months after the initial close. In addition, Limited Partners admitted after the initial closing are required, inter alia, to pay Management Fees calculated as though they were admitted to the fund at the date of initial closing.

As we reach out to a broader group of prospective investors in this extremely difficult fundraising environment, it is very evident that the use of the net proceeds from our 2010 IPO to significantly increase our co-investment in Tricon XI and XII has enhanced our fundraising capabilities. It is also evident that access to additional co-investment capital could enable us to succeed where other general partners may fail. As our Private Fund business evolves, we anticipate that our growth in AUM will increasingly come from separate accounts rather than co-mingled funds which reflects both changing preferences amongst larger institutional investors and the increased time it takes to raise co-mingled funds in a much more competitive fundraising environment.

In terms of the investment environment, we continue to see extremely attractive investment opportunities, particularly for urban in-fill and well located suburban land development projects in the United States. Our strategy for our latest U.S. fund Tricon XI is to purchase well located residential land from distressed or motivated sellers and to improve and build out this land with our local development partners and/or to sell improved lots to public and major private homebuilders. In this regard, we have already made five attractive investments totaling approximately US$100 million that are expected to generate gross returns of 24% with minimal leverage at the project level. We believe there is potentially upside to these returns as the U.S. housing market is in the early stages of a full recovery that could last multiple years given the magnitude of the downturn.

Investment in the Canadian new housing market, particularly in Toronto, has become increasingly difficult as a result of a multitude of factors including a tighter lending environment (for both acquisition and construction loans and for end loans for consumers), increased investor skepticism caused by negative headlines and debt warnings by the Bank of Canada, construction cost inflation, and increased development levies and taxes. Accordingly, the Company continues to take an extremely cautious approach to new investment activity although it believes that a pending correction or shake out could lead to increased opportunities in the future, particularly for a well capitalized and experienced asset manager such as Tricon. The Company has been proactive in its management of its existing Toronto condo portfolio in funds Tricon VIII, Tricon X and new fund Tricon XII and is pleased to report that roughly 93% of inventory is sold with 20% plus deposits.

While the Canadian housing market remains relatively stable, notwithstanding a more difficult investment environment in Toronto, the Company believes that there are better risk adjusted investment opportunities in the United States and is well positioned to capitalize on the U.S. housing recovery through its exposure to residential land / new housing in existing U.S. fund Tricon IX and new fund Tricon XI and its recently established single-family rental platform.

In the U.S. distressed single family rental sector, the Company is one of approximately ten major players which are "institutionalizing" what up until now has been a cottage industry run by small local investors and operators, notwithstanding the fact that the single-family rental industry is much larger than the institutional U.S. multi-family sector. With our five "best in class" local operators, the Company expects to acquire approximately 3,000 to 3,500 single-family homes by the end of 2013 and to be amongst the leaders in the industry. The Company's business plan remains on target, with its operating partners continuing to purchase one to two distressed properties per day based on underwritten gross yields of 10-13%. Although portfolio average gross yields achieved to date of approximately 14% exceed our initial underwriting, in certain submarkets (particularly in Phoenix, Arizona and across Tricon's target markets within California), rising home prices coupled with a reduction in inventory overhang may pressure yields and predicate a slower acquisition pace in the upcoming quarters, ultimately resulting in the termination of the Company's acquisition program in these markets. That being said, the Company continues to see strong acquisition opportunities in the Southeastern United States where its partner Lake Success Living is buying homes in both Southeast Florida and Charlotte. In addition, the Company is evaluating the opportunity to enter select new markets (largely in conjunction with existing operating partners), which have a strong pipeline of distressed home sales yet possess positive underlying demographic and employment fundamentals.

5. FUND INFORMATION

The Company manages six active funds (Tricon VIII to XII and separate account Cross Creek Ranch). The funds provide financing to local development partners or operators to acquire, develop and/or construct primarily residential projects including multi-family construction, single-family land development and homebuilding. The funds also provide financing for retail development but this is typically done in conjunction with residential projects such as master planned communities or retail anchored, urban condos. Given the severity of the housing downturn in the U.S. that occurred from 2006 through 2009, active U.S. funds Tricon IX and XI provide financing to local operators to enable them to acquire distressed residential assets mainly through the purchase of (i) discounted bank notes, (ii) REO property (i.e. property foreclosed on by banks), (iii) property in bankruptcy, and (iv) property from other distressed or motivated sellers. While we remain focused on residential real estate development, the Company is opportunistic in nature and, as such, our strategy related to geographic and product type allocation may shift from fund to fund.

5.1 Assets Under Management

Our funds typically have a life of eight years with two one-year extensions available under certain circumstances and an Investment Period of three to four years. The manager of each of these funds, a wholly-owned subsidiary of the Company, earns Management Fees, General Partner Distributions (both of which are not contingent on fund performance) and Performance Fees if certain predetermined return thresholds are met. In addition, as a limited partner in Tricon XI and Tricon XII as well as future funds, the Company will earn it's pro rata share of income from co-investing in these funds. Contractual Fees are charged to limited partners based on the size of their commitment and typically range from 1% to 2% per annum. During the Investment Period, fees are charged on a limited partner's commitment. After the Investment Period, Contractual Fees are charged on the lesser of the limited partner's commitment and the outstanding invested capital. Contractual Fees decline over time once the Investment Period expires and investments are realized. General Partner Distributions are based on prescribed formulas within a Fund's Limited Partnership Agreement and also decline over time as investments are realized. Performance Fees are typically calculated as 20% of net cash flow and are paid after limited partners' capital together with a preferred return of 9% to 10%. The Performance Fee formula may also contain a "catch-up" provision which enables the manager (a wholly owned subsidiary of the Company) to earn a higher percentage of net cash flow as a Performance Fee until the ratio of the limited partner return (preferred return plus its share of net cash flow) to Performance Fees paid to the manager is 80/20, with Performance Fees reverting back to 20% of net cash flow thereafter.

A major factor determining the Contractual Fees to be ultimately earned by the Company is AUM. A summary of AUM by fund is presented below.

Assets under Management Summary
(in Canadian dollars unless otherwise noted)

Fund	Fund Currency	Initial Close	Investment Period End	Capitalization: Originating Currency [1]	Capitalization: Canadian Equivalent [2]	Assets Under Management [3] (Canadian Equivalent) [2]: March 31, 2013	December 31, 2012	March 31, 2012
TCC VI	CA	June-2004	March-2007	95,703,000	95,703,000	-	-	68,353,000
TCC VII	US	September-2004	March-2007	247,200,000	251,155,000	-	-	228,053,000
Tricon VIII	CA	October-2005	June-2008	101,124,000	101,124,000	53,433,000	76,848,000	77,617,000
Tricon IX	US	May-2007	January-2012	331,775,000	337,083,000	334,142,000	328,277,000	326,996,000
Tricon X	CA	April-2008	April-2011	85,362,000	85,362,000	79,949,000	79,993,000	79,128,000
Tricon XI	US	August-2012	November-2016	100,000,000	101,600,000	101,600,000	99,489,000	-
Tricon XII	CA	March-2011	March-2014	175,750,000	175,750,000	175,750,000	175,750,000	165,750,000
Separate Accounts	US	June-2012	--	129,600,000	131,673,000	131,673,000	128,939,000	-
Syndicated Investments	US		--	14,900,000	15,138,000	1,016,000	1,094,000	998,000
Syndicated Investments	CA		--	65,606,000	65,606,000	25,476,000	25,476,000	25,476,000
Private Funds						**$ 903,039,000**	**$ 915,866,000**	**$ 972,371,000**
Co-Investment (Cross Creek Ranch)	US	June-2012	--	14,400,000	14,631,000	14,631,000	14,327,000	-
Co-Investment (Tricon XI)	US	August-2012	November-2016	25,000,000	25,400,000	25,400,000	24,873,000	-
Co-Investment (Tricon XII)	CA	March-2011	March-2014	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Single-Family Portfolio [4]	US	May-2012	--	233,910,000	237,653,000	196,847,000	140,367,000	-
Principal Investing						**256,878,000**	**199,567,000**	**20,000,000**
Total Assets Under Management						**$ 1,159,917,000**	**$ 1,115,433,000**	**$ 992,371,000**

Notes:
1. Fund capitalization does not include syndicated investments, which are shown seperately. The Company's co-investment in certain funds is shown under Principal Investing.
2. Foreign exchange rates used at each balance sheet date are; at March 31, 2013 CA$1.016 per US$1.00, December 31, 2012 CA$0.9949 per US$1.00, at March 31, 2012 CA$0.9975 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) invested capital plus unfunded project commitments.
4. The capitalization for the single-family portfolio includes the net proceeds from the April and December 2012 common share offerings and the July 2012 and February 2013 convertible debenture offerings.

5.2 Projected Fund Performance

The net cash flow generated by each of the funds ultimately determines the Performance Fees to be earned by the Company. The estimates shown below are only for funds expected to generate Performance Fees and are based on information gathered from our developers, detailed in-house market research and management expectations. They are reviewed and revised on a quarterly basis.

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 Q1 2013, no new investments were approved for Tricon XI and Tricon XII. Therefore, fund capital available for investment remains unchanged at US$16 million and $66 million, respectively. We continue to seek suitable investments for the uncommitted capital in Canadian fund Tricon XII and new U.S fund Tricon XI, as well as manage existing investments in predecessor funds.

In Canada, we have seen a strong deal flow in Toronto over the past year but have decided to remain on the sidelines (unless an incredibly compelling opportunity presents itself) as the new condo market is under pressure as evidenced by weak launches and aggressive developer incentive programs. Instead we have increasingly opted to focus our investment activity in Western Canada which is still recovering from a pronounced 2007- 2009 correction and is generally less influenced by investor activity than the Toronto condo market.

In the United States, the housing outlook has brightened considerably since the beginning of 2012 as existing home inventory is at or below historical levels, sales and starts have increased meaningfully year over year, and home prices have risen for the first time in approximately six years. While the pickup in momentum and related positive press coverage are encouraging, the U.S. housing industry has a long way to go before it reaches normalized levels of activity and opportunities to invest in “discounted” land or housing projects abound. Accordingly, we continue to see very attractive risk adjusted return opportunities in the U.S. and have deployed capital in Tricon XI quickly to take advantage of what we believe is a “historic” window in time to acquire undervalued residential assets.

Fund IRR's and ROI's shown below are based on cash flows projected over the life of each of the funds. Since Tricon IX is essentially unlevered at the project level (unlike the other funds) its returns on a risk-adjusted basis are as good as or better than the other funds.

	Projected - March 31, 2013 [1]				Projected - December 31, 2012 [1]			
Fund	**Gross ROI**	**Gross IRR**	**Net ROI [5]**	**Net IRR [5]**	**Gross ROI**	**Gross IRR**	**Net ROI [5]**	**Net IRR [5]**
Tricon VIII	2.1x	17%	1.7x	13%	2.1x	17%	1.7x	13%
Tricon IX	1.8x	14%	1.6x	11%	1.7x	14%	1.5x	11%
Tricon X	2.0x	18%	1.6x	13%	2.0x	18%	1.6x	13%
Tricon XI	1.9x	24%	1.5x	18%	1.9x	24%	n/a	n/a
Tricon XII [2]	1.9x	18%	n/a	n/a	1.9x	18%	n/a	n/a
Syndicated Investments [3]	2.3x	13%	2.0x	12%	1.9x	15%	1.8x	12%
Separate Accounts [4]	2.7x	23%	2.6x	22%	2.7x	23%	2.7x	23%

Notes:

1. All amounts are based on actual current project commitments and do not include any assumptions for the balance of the funds' capital, if any, to be invested.
2. Expected Net Returns to Limited Partners are not meaningful until the fund is fully committed.
3. Syndicated investment returns are for current active syndicated investments only.
4. Return shown are based on the full Cross Creek commitment of US$144 million with total peak investment expected to be $125 million.
5. Net ROI and IRR is after all fund expenses (including Contractual and Performance Fees).

Financial data for funds expected to pay Performance Fees are as follows:

March 31, 2013 *(in Fund currency)*

Fund	**Fund Currency**	**Fund Capitalization [1]**	**Project Commitments [2]**	**Fund Capital Available [3]**	**Actual and Projected Gross Cashflow [4] – Total**	**Realized**	**Unrealized**	**Projected Net Cashflow [5]**
Tricon VIII	CA	$ 101,124,000	$ 102,981,000	$ -	$ 180,226,000	$ 101,493,000	$ 78,733,000	$ 94,705,000
Tricon IX	US	331,775,000	322,520,000	-	541,487,000	37,857,000	503,630,000	236,598,000
Tricon X	CA	85,362,000	88,733,000	5,000,000	147,781,000	22,809,000	124,972,000	73,202,000
Tricon XI [6]	US	125,000,000	104,000,000	16,000,000	141,254,000	1,232,000	140,022,000	68,469,000
Tricon XII [6]	CA	195,750,000	95,700,000	66,000,000	135,844,000	2,355,000	133,489,000	65,544,000
Syndicated Investments [7]	CA	65,606,000	25,476,000	-	56,919,000	6,940,000	49,979,000	32,360,000
Separate Accounts	US	144,000,000	144,000,000	-	280,335,000	20,865,000	259,470,000	153,335,000
Total - March 31, 2013 [8]					**$ 1,483,846,000**	**$ 193,551,000**	**$ 1,290,295,000**	**$ 724,213,000**
Total - Previous Quarter					**$ 1,221,885,000**	**$ 140,913,000**	**$ 1,080,972,000**	**$ 582,979,000**

1. Fund capitalization is the aggregate of the amounts committed by third party limited partners and the Company's co-investment.
2. Fund commitments to projects including guarantees made under loan agreements. Project commitments can exceed Fund Capitalization as a result of re-investment rights. Syndicated project commitments shown are for current active projects of $25,476,000.
3. Capital available, after operating reserves and project contingencies, for new or supplemental investments. Project Commitments plus Fund Capital Available do not necessarily add up to Fund Capitalization.
4. Actual and projected gross cashflows over the life of the fund.
5. Projected net cashflows are before fund expenses, management fees, general partner distributions and performance fees over the life of the fund. Excluding Performance Fees, total fund expenses incurred over the life of a fund have historically been 10% (or less) of fund capitalization. Projected Net Cashflow is derived by subtracting the actual investment amount from Actual and Projected Gross Cashflow. Investment does not necessarily equal Project Commitments.
6. No projections have been made in respect of fund capital not committed to projects.
7. Syndicated investments shown are for current active projects which have future cashflows.
8. Totals assume that US$1.00 equals CA$1.00.

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The product breakdown of investments made by fund and by region is as follows:

BY FUND

Product Available					
Fund	Land (Acres)	Single-Family Lots [1,2]	Homes (Units)	Multi-Family (Units) [2]	Retail (SF)
Tricon VIII	46	2,543	-	2,615	58,899
Tricon IX	-	4,569	650	535	8,998
Tricon X [(4)]	70	437	-	1,671	68,603
Tricon XI	173	4,235	415	-	-
Tricon XII	-	-	-	1,687	-
Separate Accounts	238	4,775	-	-	-
Total	**527**	**16,559**	**1,065**	**6,508**	**136,500**
Double Counted [(3)]	-	-	-	(936)	(36,481)
Net	**527**	**16,559**	**1,065**	**5,572**	**100,019**

Product Sold					
Fund	Land (Acres)	Single-Family Lots [1,2]	Homes (Units)	Multi-Family (Units) [2]	Retail (SF)
Tricon VIII	-	422	-	2,571	36,714
Tricon IX	-	472	636	37	7,898
Tricon X	62	207	-	1,517	18,360
Tricon XI	-	-	-	-	-
Tricon XII	-	-	-	794	-
Separate Accounts	-	413	-	-	-
Total	**62**	**1,514**	**636**	**4,919**	**62,972**
Double Counted [(3)]	-	-	-	(897)	(18,360)
Net	**62**	**1,514**	**636**	**4,022**	**44,612**

Notes:
1. Lots include finished, partially finished and undeveloped lots.
2. Includes lots/units which have not been released to the market yet.
3. Certain investments which are shared between Tricon VIII and X and included in both funds have been removed.
4. Excludes optioned land which has not yet been closed.

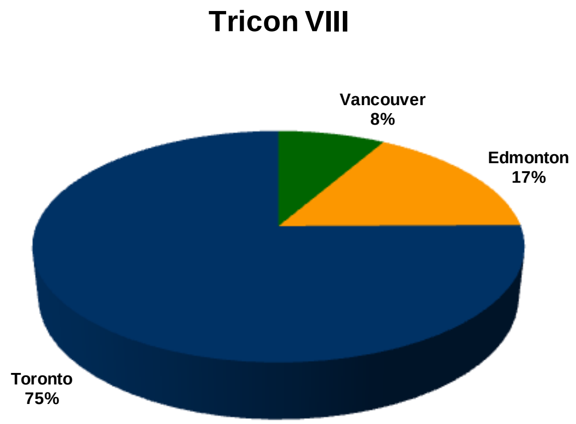
BY REGION

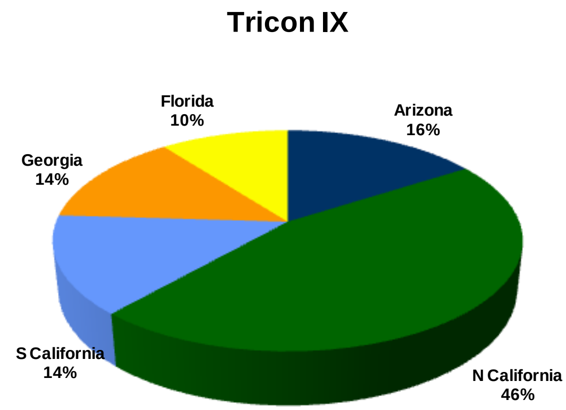
Product Available					
Region	Land (Acres)	Single-Family Lots [1,2]	Homes (Units)	Multi-Family (Units) [2]	Retail (SF)
Canada					
Toronto	-	-	-	3,567	84,181
Vancouver	-	-	-	1,274	-
Calgary [(4)]	-	-	-	196	6,840
Edmonton	116	2,980	-	-	-
United States					
Southern California	-	749	315	-	-
Northern California	-	1,512	161	472	-
Phoenix	112	5,715	213	-	-
Atlanta	-	394	157	63	8,998
Florida	-	434	219	-	-
Dallas	61	-	-	-	-
Houston	238	4,775	-	-	-
Total	**527**	**16,559**	**1,065**	**5,572**	**100,019**

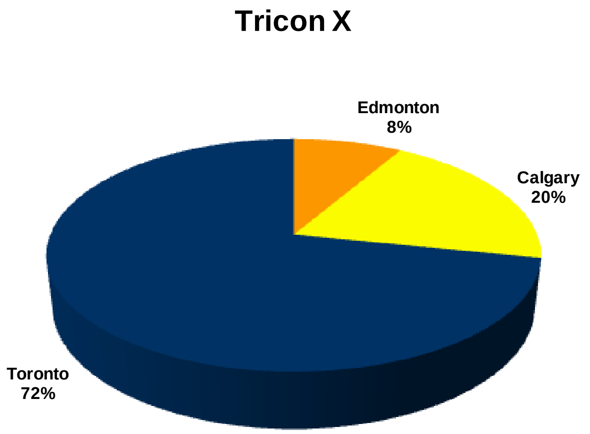
Product Sold					
Region	Land (Acres)	Single-Family Lots [1,2]	Homes (Units)	Multi-Family (Units) [2]	Retail (SF)
Canada					
Toronto	-	-	-	3,332	36,714
Vancouver	-	-	-	517	-
Calgary [(4)]	-	-	-	136	-
Edmonton	62	629	-	-	-
United States					
Southern California	-	-	-	-	-
Northern California	-	211	157	-	-
Phoenix	-	261	111	-	-
Atlanta	-	-	149	37	7,898
Florida	-	-	219	-	-
Dallas	-	-	-	-	-
Houston	-	413	-	-	-
Total	**62**	**1,514**	**636**	**4,022**	**44,612**

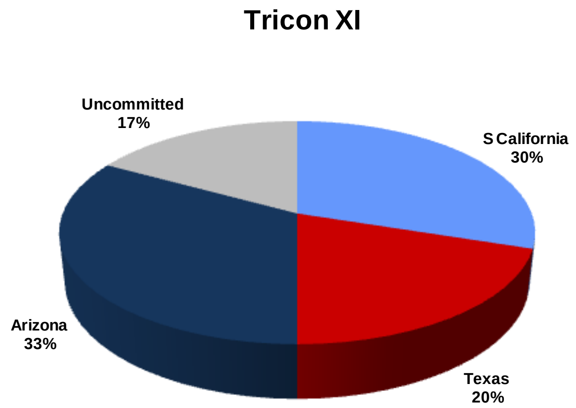
Notes:
1. Lots include finished, partially finished and undeveloped lots.
2. Includes lots/units which have not been released to the market yet.
3. Certain investments which are shared between Tricon VIII and X and included in both funds have been removed.
4. Excludes optioned land which has not yet been closed.

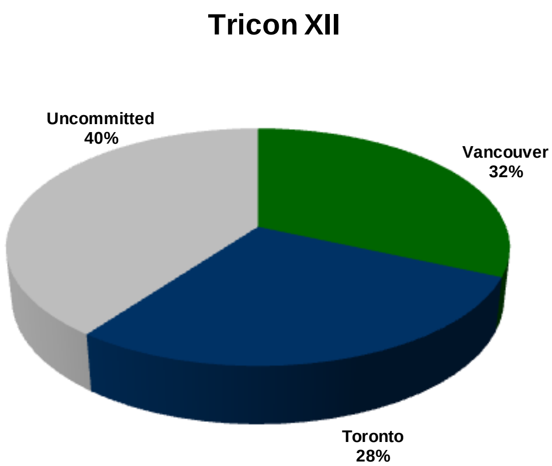
The geographic breakdown (by dollars committed) by individual funds is as follows:











6. SINGLE-FAMILY PORTFOLIO

The following detailed information is provided for the single-family strategy which was launched in Q2 2012. Prior quarter financial information has been presented for comparative purposes since there is no information for Q1 2012. This information is broken down between rental homes, Inventory Homes and administrative overhead. Inventory Homes are specifically purchased with the objective of a short-term hold, renovation and sale.

A total of 318 homes were purchased in Q1 2013 increasing the total number of homes purchased since inception to 1,950 homes, with 1,866 homes owned as of quarter-end (the remaining homes were sold via the Company's Inventory Home program). Of the 1,794 rental homes, 1,355 or 76% were rented at the end of the quarter.

Single-Family Portfolio Financial Information
For the Three Months Ended March 31, 2013

	For the Three Months Ended March 31, 2013		For the Three Months Ended December 31, 2012	
	USD	CAD	USD	CAD
Rental Revenue (A)	$ 3,487,000	$ 3,521,000	$ 1,517,000	$ 1,504,000
Property Taxes	341,000	345,000	115,000	114,000
Renovation Expense (Minor)	195,000	197,000	96,000	96,000
HOA/Utilities	160,000	162,000	98,000	98,000
Other Direct Expenses	58,000	58,000	38,000	38,000
Property Management Fees	297,000	300,000	123,000	122,000
Leasing Commissions	118,000	119,000	90,000	90,000
Insurance	178,000	180,000	113,000	112,000
Bad Debt Expense	-	-	14,000	14,000
Other	5,000	5,000	56,000	56,000
Rental Expenses (B)	1,352,000	1,366,000	743,000	740,000
Gross Rental Operating Income ("GROI")	**$ 2,135,000**	**$ 2,155,000**	**$ 774,000**	**$ 764,000**
GROI Margin (GROI/A)	61%	61%	51%	51%
Inventory Homes Revenue	$ 8,330,000	$ 8,408,000	$ 6,422,000	$ 6,366,000
Less:				
Cost of Homes Sold	7,530,000	7,600,000	5,723,000	5,674,000
Selling Expenses	201,000	203,000	277,000	275,000
Gross Profit Margin Inventory Homes ("GPMIH")	**$ 599,000**	**$ 605,000**	**$ 422,000**	**$ 417,000**
Gross Margin (excludes Selling Expenses)	8%	8%	7%	7%
Single-Family Gross Operating Income ("SFGOI") (SFGOI = GROI + GPMIH)	**$ 2,734,000**	**$ 2,760,000**	**$ 1,196,000**	**$ 1,181,000**
Professional Fees	(8,000)	(8,000)	(17,000)	(16,000)
General and Administration Expenses	(38,000)	(38,000)	(9,000)	(9,000)
Rental Operator Asset Management	(573,000)	(578,000)	(362,000)	(356,000)
Single-Family Net Operating Income ("SFNOI")	**$ 2,115,000**	**$ 2,136,000**	**$ 808,000**	**$ 800,000**
Rental Operator Performance Fees (1)	(2,700,000)	(2,766,000)	-	-
Fair Value Adjustment on Investment Properties	14,161,000	14,506,000	257,000	254,000
Impairment on Inventory Homes (2)	113,000	105,000	(335,000)	(332,000)
Single-Family Net Income ("SFNI")	**$ 13,689,000**	**$ 13,981,000**	**$ 730,000**	**$ 722,000**

Notes:
1. Approximately US$2.7M of performance fees have been recorded as carried interest potentially payable to the rental operators.
2. Impairment recorded in Q4 2012 on inventory homes purchased in Charlotte have been reversed as a result of the fair valuation process undertaken in Q1 2013.

Rental Homes

	Sacramento	Reno	Bay Area	Inland Empire	Phoenix	Southeast Florida	Charlotte	Los Angeles	Total
Units Rented	246	40	137	50	187	228	465	2	1,355
Units In-Process	85	12	47	64	43	76	98	14	439
Total Rental Units	**331**	**52**	**184**	**114**	**230**	**304**	**563**	**16**	**1,794**
Key Metrics for Rental Portfolio: *(Information provided by rental operating partners, in US Dollars)*									
Average Monthly Rent	$1,100	$1,200	$1,500	$1,400	$900	$1,400	$700	$1,300	$1,100
Average Gross Yield	11%	11%	11%	11%	10%	16%	20%	12%	14%
Average Acquisition Price/Unit [1]	$103,000	$119,000	$151,000	$131,000	$105,000	$87,000	$42,000	$110,000	$89,000
Average Estimated Rehab Cost/Unit	$13,000	$8,000	$14,000	$15,000	$10,000	$22,000	$17,000	$22,000	$16,000
Average Square Footage	1,228	1,533	1,355	1,463	1,920	1,421	1,204	921	1,376
Acquisition Price per Square Foot [1]	$84	$78	$111	$90	$55	$61	$35	$119	$65
Rehab Cost per Square Foot	$11	$5	$10	$10	$5	$15	$14	$24	$12
Average Vintage	1975	1975	1964	1977	2004	1964	1958	1948	1970

Inventory Homes

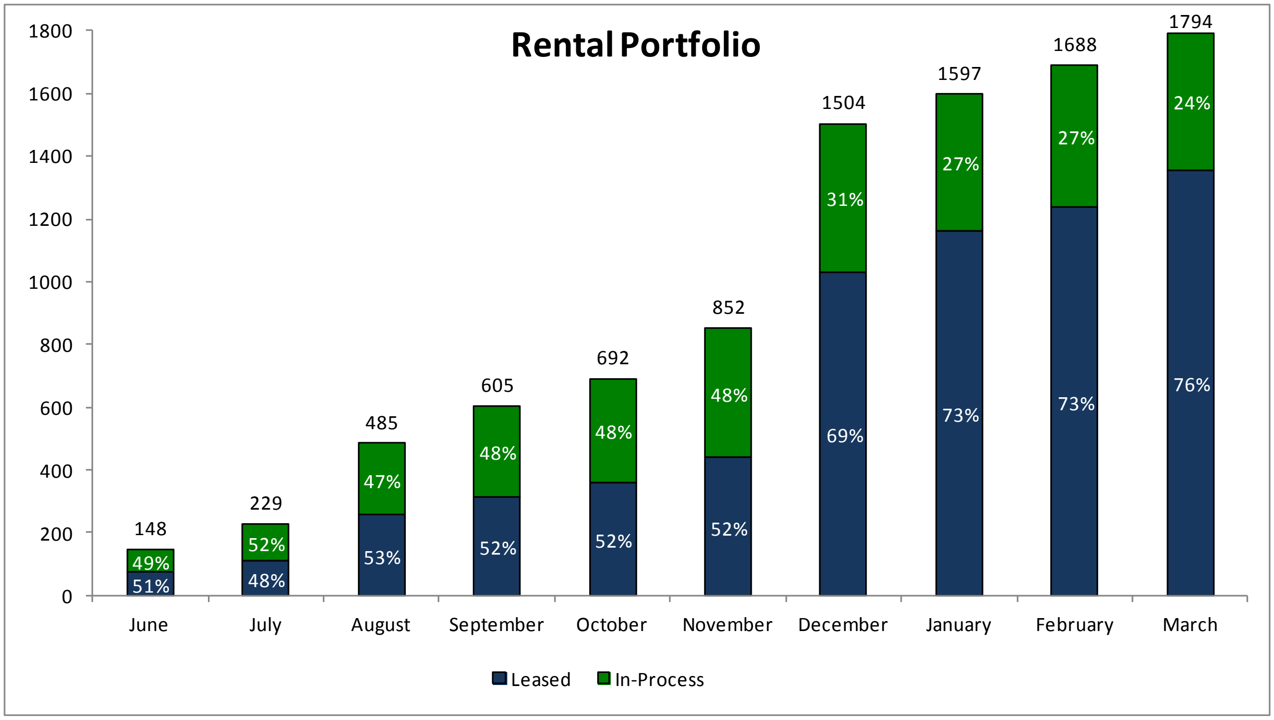
	Sacramento	Reno	Bay Area	Inland Empire	Phoenix	Southeast Florida	Charlotte	Los Angeles	Total
Inventory Homes Sold	51	-	-	-	31	2	-	-	84
Inventory Homes Unsold	20	-	2	1	18	-	30	1	72
Total Inventory Home Units	**71**	**-**	**2**	**1**	**49**	**2**	**30**	**1**	**156**
Key Metrics for Inventory Homes Sold: *(Information provided by rental operating partners, in US Dollars)*									
Average Total Cost Basis/Unit Sold	$199,000	N/A	N/A	N/A	$211,000	$102,000	N/A	N/A	$221,000
Average Gross Sale Price/Unit Sold	$233,000	N/A	N/A	N/A	$243,000	$203,000	N/A	N/A	$245,000
Average Square Footage/Unit Sold	1,705	N/A	N/A	N/A	2,026	2,233	N/A	N/A	1,836
Average Total Cost Basis per Square Foot Sold	$117	N/A	N/A	N/A	$104	$46	N/A	N/A	$120
Average Gross Sale Price per Square Foot Sold	$137	N/A	N/A	N/A	$120	$91	N/A	N/A	$133
Average Hold Period for Inventory Homes Sold	128	N/A	N/A	N/A	97	146	N/A	N/A	117
Return on Investment - annualized	25%	N/A	N/A	N/A	26%	18%	N/A	N/A	25%
Average Vintage of Units Sold	1991	N/A	N/A	N/A	2004	1975	N/A	N/A	1995

Notes:
1. Average acquistion price of $110,000 ($76 per square foot) when excluding Charlotte.

6.1 Rental Homes

Rental homes purchased are in a variety of stages with 225 or approximately 12% of homes in rehab/renovation, 214 or 12% of homes being marketed for lease and 1,355 or 76% of homes leased and occupied at Q1 2013. On average, it takes approximately 90 days to rehab and market/lease a home after acquisition.

As mentioned in section 3.2 “Adjusted Financial Information” above, the Fair Value Adjustment on Investment Properties for the quarter was $14,506,000 and was offset by unrealized rental operator performance fees potentially payable of $2,766,000 for a net fair value adjustment of $11,740,000 primarily as a result of the increase in value of the Charlotte portfolio. The AVM valuation of the Charlotte assets was substantially higher than the acquisition price paid, which represented fair value at year-end. It should be noted that the fair value of the rental homes does not include any portfolio premium that may be associated with economies of scale from owning a large portfolio or the consolidation value of having compiled a large portfolio of properties, primarily through individual property acquisitions.



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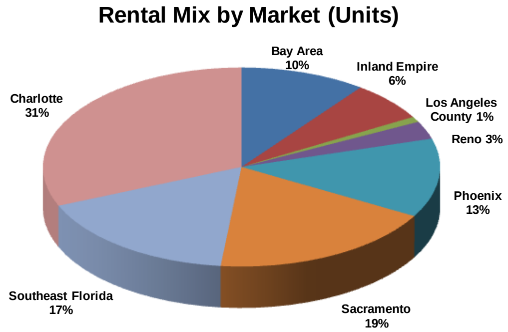
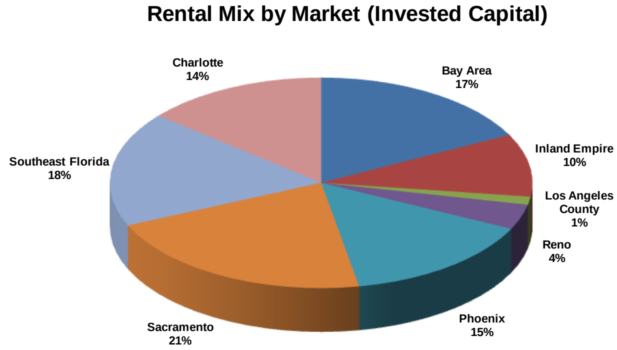
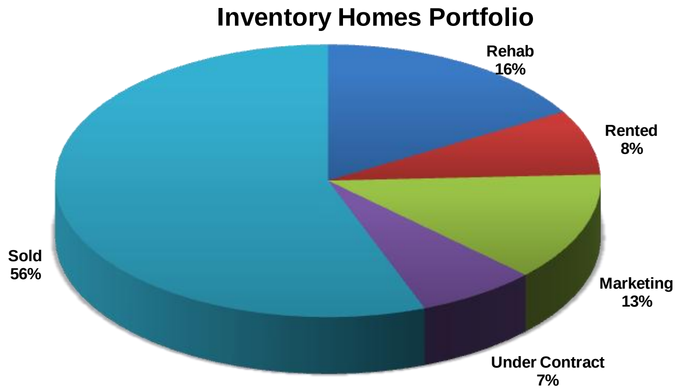
The following pie charts present the geographic mix of rental properties based on unit count and invested capital in USD as provided by rental operators.





6.2 Inventory Homes

Inventory Homes continue to be a successful part of the single-family rental strategy increasing overall returns for the portfolio. An additional 28 homes were acquired in Q1 2013 bringing total Inventory Homes acquired to 156 at the end Q1 2013. Of the 156 Inventory Homes purchased, 23 homes are in rehab/renovation, 22 homes are rented, 16 homes are being marketed for sale, 11 homes are under contract for sale and 84 have been sold, leaving a total of 72 Inventory Homes owned. These homes take approximately three months to renovate and market to prospective sellers and are expected to generate a profit margin of approximately 7% to 9% - equivalent to a 20% to 30% annualized Return on Investment. Note that the pie chart below is based on invested capital and not unit count.



7. OTHER PERTINENT FACTS

7.1 Controls and Procedures

Pursuant to National Instrument 52-109 released by the Canadian Securities Administrators, the Company's CEO and CFO have evaluated the design of the Company's disclosure controls and procedures and the Company's internal controls over financial reporting for the period ended March 31, 2013. The CEO and CFO did not identify any material weaknesses in the Company's system of internal controls over financial reporting.

During the quarter ended March 31, 2013, 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. Such controls and procedures are subject to continuous review and changes to such controls and procedures, may require management resources and systems in the future.

7.2 Liquidity and Capital Resources

Revenues are expected to increase to meet ongoing working capital needs and satisfy operating expenses in the short term, including any expenditure required to add personnel or update corporate infrastructure and information systems.

There are no off-Balance Sheet financial arrangements. Long-term lease commitments for premises over the next 10 years are discussed below - See "Transactions with Related Parties" below.

On March 26, 2012 the Company successfully closed a US$11.2 million commitment to Cadiz Riverfront Holdings LP in Dallas, Texas. Approximately US$4.1 million of this commitment had been advanced as at June 30, 2012 to this large scale mixed use land development project. Tricon warehoused this investment until the formation of its successor U.S. distressed fund Tricon XI. On September 5, 2012 the investment was sold to Tricon XI at cost plus a 6.75% per annum, monthly compounded, return on capital invested for proceeds of US$4.3 million.

On April 13, 2012, the Company closed a separate investment account for approximately US$150 million (the "Transaction") with a large Canadian institutional investor to support the acquisition and development of the award-winning, 3,200 acre Cross Creek Ranch master-planned community in Houston, Texas ("Cross Creek" or the "Project"). The Company has committed approximately 10% (or US$14.4 million) of the required capital to the Transaction, with the balance being committed by Tricon's institutional partner and the developer of the Project. At March 31, 2013, the Company had advanced US$12.5 million for this transaction under the commitment.

In April 2012, the Company set up a US$7.7 million margin account with BMO Nesbitt Burns with the Company's investments in GICs and Government of Canada T-Bills (Bank of Canada) pledged as collateral to cover U.S. dollar borrowings required for the Cross Creek Ranch investment in Houston, Texas. This was repaid on May 2, 2012 and no borrowings are outstanding at March 31, 2013. This facility was closed in January 2013.

On April 27, 2012, the Company issued 12,937,500 common shares under a bought deal arrangement at $4.00 per share for gross proceeds of $51,750,000. The Company used the net proceeds from the offering of approximately $49,421,000 primarily for its U.S. single-family home rental strategy.

On July 30, 2012, the Company completed a 6.375% convertible debenture offering for gross proceeds of $51,750,000 (including the over-allotment option exercised by the underwriters) under a bought deal arrangement. The Company used the net proceeds from the offering of approximately $49,000,000 primarily for its U.S. single-family home rental strategy.

On November 7, 2012, the Company entered into a 3-year term facility and demand facility with the Royal bank of Canada for an operating line of $15 million. The interest rate ranges between prime plus 2% and prime plus 2.5% depending on certain quarterly financial covenants. No funds were drawn by the Company as of March 31, 2013.

On December 4, 2012, the Company issued 10,447,500 common shares under a bought deal agreement at $5.70 per share for gross proceeds of approximately $59,551,000. The Company used the net proceeds from the offering of approximately $57,259,000 primarily for its US single-family home rental strategy.

On February 25, 2013, the Company completed a second convertible debenture for gross proceeds (including the over-allotment) of $86 million under a bought deal arrangement. The Company is using the net proceeds from the offering of approximately $82,000,000 primarily for its U.S. single-family home rental strategy.

7.3 Transactions with Related Parties

During 2012, the Company acquired 203 properties from its operating partners, for a consideration of $23,872,000, which homes now form part of the single-family rental partnerships.

Tricon has a 10 year sub-lease commitment on our head office premises with Mandukwe Inc. a company owned and controlled by a co-founder and current 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.

During Q3 2012, the Company transferred two warehoused investments, The New Home Company ("TNHC") and the Cadiz Riverfront Holdings LP ("Dallas Project"), to Tricon XI on September 5, 2012 for the total proceeds of US$10.5 million ($10.4 million Canadian equivalent) and US$4.3 million ($4.2 million Canadian equivalent), respectively. A gain of US$979,000 ($ 958,000 Canadian equivalent) was recognized in the consolidated statement of comprehensive income (loss).

Certain employees of the Company also own units, directly or indirectly, in the various Tricon funds as well as common shares and debentures of the Company.

Please refer to the Related Party Transactions and Balances note in the financial statements for further detail.

7.4 Dividends

On March 12, 2013 the Board of Directors declared a dividend of $2,505,000 (6 cents per share) to shareholders of record on March 31, 2013, payable on April 15, 2013. The Company has paid dividends on a quarterly basis since going public in May 2010.

7.5 Share Capital

On January 1, 2011, the authorized share capital of the Company was 18,240,871 common shares. On November 18, 2011, the Company announced its intention to buy back a portion of outstanding common shares under a Normal Course Issuer Bid ("NCIB") which resulted in the repurchase of 10,400 common shares during 2011. On April 27, 2012, the Company did a bought deal common stock offering which resulted in the issuance of 12,937,500 common shares. On December 4, 2012, the Company did a bought deal common stock offering which resulted in the issuance of 10,447,500 common shares. On December 17, 2012, 137,378 common shares were issued out of treasury for phantom shares vested and exercised. On January 15, 2013, 1,395 shares were issued out of treasury under the dividend re-investment plan. After giving effect to the transactions noted above, 41,754,244 common shares were outstanding as at March 31, 2013.

Stock options outstanding at March 31, 2013 were 1,011,500 with no additional options issued during the quarter. In May 2011, 289,993 stock options vested, in August 2011 23,833 stock options vested, in May 2012 301,243 stock options vested, in August 2012 27,583 stock options vested and in November 2012 23,750 stock options vested. In total 666,402 stock options have vested. No options have been exercised as at March 31, 2013.

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 consists of a share based awards mechanism to attract, retain and motivate officers and employees of the Company and promote an alignment of interest between such persons and the shareholders of the Company. At December 31, 2012, there were no units outstanding. During Q1 2013, 161,540 phantom units were granted to employees, officers and directors of the Company.

Please see the unaudited condensed consolidated interim financial statements at March 31, 2013 for further information.

7.6 Critical Accounting Estimates and Judgments

Accounting policies are a critical part of the preparation of financial statements in accordance with IFRS and require us to make estimates and assumptions that affect all components of the Consolidated Balance Sheet and Consolidated Statement of Comprehensive Income (Loss). 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 consolidated financial statements.

The determination of which entities to consolidate in accordance with IFRS 10, Consolidated Financial Statements, which the Company elected to adopt early, requires analysis and judgment in respect of the individual facts and circumstances. Tricon XII which was launched in Q1 2011 was consolidated by the Company to June 14, 2011 since the Company's interest in the Fund was 29.1% to this date. On June 15, 2011 the Company's interest was reduced to 14.3% as a result of a second close on that date which changed the accounting treatment from consolidated subsidiary to investment in associate. The limited partnership interest was reduced to 10.8% on March 22, 2012 and further reduced to 10.2% on May 11, 2012.

On March 26, 2012, the Company committed US$11.2 million to a Dallas, Texas investment for an 80% limited partnership interest in Cadiz Riverfront Holdings, LP. It was determined that consolidation of this entity was not required since an analysis of the control criteria indicated the Company had joint control under the IAS 28 exemption and elected to fair value the asset.

A consolidation analysis was done during 2012 on the five new rental partnerships in which the Company is a major limited partner and the Cross Creek Ranch investment. This resulted in the consolidation of the five rental partnership entities since the Company controls these entities through funding and termination rights. The analysis of the Cross Creek Ranch equity investment however indicated significant influence and therefore will be treated as an investment in associate and accounted for using the fair value exemption election.

The Company analyzed the acquisition of the "vended-in" homes from the rental operators and determined that these assets should be accounted for as asset acquisitions rather than a business combination. These transactions involved the purchase of a number of individual assets rather than the existing business of the rental operators.

The Company determined that Investment Properties acquired and maintained for rental income purposes will be reported at fair value as required under IAS 40 "Investment Properties". Additionally, properties purchased for short-term holds and then sold at a profit were determined to be Inventory Homes and would be reported at the lower of cost and net realizable value as required under IAS 2.

The single-family rental operations have been consolidated by the Company and the Non-Controlling Interest ("NCI") represents the interest owned by the single-family rental operators. The NCI value is calculated on a liquidation basis by running the total fair value of single-family rental assets through the waterfall calculations outlined in the limited partnership agreements. The determination of fair value of the non-controlling interests requires management to make estimates in respect of the inputs and assumptions used in the cash flow model, such as the margin earned on the sale of the Inventory Homes and the fair value of the Investment Properties.

During Q3 2012, the Company committed US$25 million on the initial close of U.S. distressed fund Tricon XI and has an interest of 20% in the fund. The Company completed an analysis on whether to consolidate this fund and determined that consolidation was not required since control did not exist.

During Q3 2012 and Q1 2013, the Company analyzed the convertible debentures and determined that the debentures contained both a conversion option and a redemption option which would need to be bifurcated between the host loan and the fair value of the embedded options. Because the redemption option may be exercised by the Company when the common share price hits a specific level, the redemption option is considered to act as a forced conversion feature and was combined with the value of the conversion option. Therefore, the loan will be carried at amortized cost and the embedded options at fair value as per IAS 39.

The LTIP liability calculation requires the Company to estimate the fair value of Performance Fees that would be paid into the Performance Fee-Related Bonus Pool based on the estimated fair market value of assets within the funds managed by the Company at the reporting date. 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 above. Please refer to the Notes to Consolidated Financial Statements, note 14, for further details and sensitivity analysis on the LTIP liability.

The Company analyzed the functional currency of the single-family subsidiaries and determined that circumstances had changed during Q1 2013 and the functional currency of these entities was U.S. dollars. This resulted in a functional currency different from the Company's presentation currency requiring all exchange difference on those entities to be recognized as a Cumulative Translation Reserve through Other Comprehensive Income.

7.7 New and Future Accounting Standards

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. Management analyzed the impact of this standard to the Company and adopted the standard. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

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 March 31, 2013. Management is in the process of determining the impact of this standard to the Company.

On June 16, 2011 the IASB published amendments to IAS 1 Presentation of Financial Statements. The amendments to IAS 1 retain the 'one or two statement' approach at the option of the entity and only revise the way other comprehensive income is presented: requiring separate subtotals for those elements which may be 'recycled' (e.g. cash-flow hedging, foreign currency translation), and those elements that will not (e.g. fair value through OCI items under IFRS 9). Management has analyzed and adopted this standard and no adjustments were required.

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,

2015. The Company did not adopt this standard as of March 31, 2013. Management is in the process of determining the impact of this standard to the Company.

On October 31, 2012 the IASB published an Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), providing an exception to the consolidation requirements in IFRS 10 for investment entities. The amendments are effective from January 1, 2014 with early adoption permitted. The Company did not adopt this standard as of March 31, 2013. Management is in the process of determining the impact of this standard to the Company.

Risk Definition and Management

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

Credit Risk is defined as the risk the Company will not be able to collect all the Contractual Fees or General Partner Distributions that it is entitled to, under the terms of the Limited Partnership Agreements entered into with the various funds we manage, because limited partners were unable to meet their commitments. Credit risk attaches to the Company's ability to collect the Cross Creek Loan Receivable if the project fails to perform as expected and is unable to meet its repayment obligation. In addition, rental payments on Investment Properties leased pose a credit risk since tenants might be unable to meet their rental obligations under the leases.

Liquidity Risk is defined as the risk the Company will not meet its financial obligations as they come due.

Market Risk is defined as the risk that the fair value or future cash flows associated with the funds that we manage will fluctuate because of changes in real estate market prices, construction costs and sales volatility.

Currency Risk is defined as the risk that the fair value or future cash flows associated with our investment in U.S. funds and investment properties will fluctuate because of changes in foreign exchange rates.

Risk factors related to the Company include, but are not limited to: (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 the 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.

Additional risks now exist with respect to the new U.S. single-family rental strategy. The residential real estate industry is cyclical and is significantly affected by changes in general and local economic and industry conditions, such as employment levels, availability of financing for homebuyers, interest rates, consumer confidence, levels of new and existing homes for sale, demographic trends and housing demand. In addition, an oversupply of new homes or alternatives to new homes, such as resale homes, including homes held for sale by investors and speculators, foreclosed homes and rental properties may reduce the Company's ability to rent or sell homes, depressed prices and reduced margins from the rental and sale of homes. Conversely, if housing prices in the target markets increase at a rate faster than rents, this could result in downward pressure on the Company's gross rental yields. The United States residential real estate industry continues to face a number of challenges, with home foreclosures and tight credit standards continuing to have an effect on inventory and home sale rates and prices. Additional risks are disclosed in the prospectuses filed on April 24, 2012, July 23, 2012, December 4, 2012 and February 25, 2013 and they are available on SEDAR (www.sedar.com).

Managing all these risks that the Company is exposed to, described in greater detail in documents filed with SEDAR (www.sedar.com), is a significant senior management responsibility.

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, among other things, business issues, to consider new risks to the business and to chart the direction of the Company in terms of new investments being considered, AUM, 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 when considering operational plans or strategic directions. 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.

Credit risk on the debenture is mitigated by the Company's ability to choose repayment by cash, common shares or a combination thereof.

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 are 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.

Please refer to the Notes to Consolidated Financial Statements for further details and analysis on the aforementioned risks.

7.8 Staffing

During the quarter, the Company hired a senior investment professional and an accounting analyst dedicated to the single-family home rental business. The increased staff is reflective of the significant growth in business experienced over the past 12 months and the need to manage the greater AUM. The Company will need to hire one additional administrative staff member in 2013. As a listed issuer, additional expenditures may 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 its separate accounts business and moves forward on its U.S single family rental strategy, staffing levels will continue to be analyzed by management which in turn will 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.