TRICON CAPITAL GROUP INC.

MANAGEMENT DISCUSSION AND ANALYSIS

AS AT SEPTEMBER 30, 2013

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Contents

1. INTRODUCTION

This Management Discussion and Analysis (MD&A) is dated November 12, 2013 and provided as of September 30, 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 September 30, 2013. All amounts have been expressed in Canadian dollars, unless otherwise noted. Additional information relating to the Company is available at (www.sedar.com) along with the audited consolidated financial statements for the year ended December 31, 2012.

The unaudited condensed consolidated financial statements for the period ended September 30, 2013 were prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB). They have been prepared using accounting policies consistent with those utilized in preparing the Company's annual audited consolidated financial statements for the year ended December 31, 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS), except as described below.

In October 2012, the International Accounting Standards Board (IASB) issued *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)*, which provides an exception to consolidation for a class of entities that are defined as "investment entities". The Company met the definition of an investment entity and as such, investments in subsidiaries (other than those that provide investment related services) are accounted for at fair value through profit or loss (FVTPL), rather than by consolidating them. All of the subsidiaries that provide investment-related services, including the Company's Canadian and U.S. asset management operating entities that earn contractual fees and performance fees from our funds, continue to be consolidated. Those entities no longer consolidated under the investment entity framework are the wholly owned subsidiaries carrying the co-investments in Tricon IX, XI, XII, Separate Account investments and the single-family rental limited partnership interests.

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 that 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. These forward-looking statements are as of the date of this MD&A and the Company and management assume no obligation to update or revise them to reflect new events or circumstances except as required by securities laws. The Company and management caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made.

1.2 Overview

Tricon's purpose is to invest for capital appreciation and investment income, through its three major business segments: (i) Asset management of third party capital, including private comingled funds and separate accounts (our "Fund Management" strategy), (ii) Co-investment in comingled funds and separate accounts (our "Co-investment" strategy), and (iii) Investment in U.S. single-family rental limited partnerships (our "U.S. Single-Family Rental or SFR" strategy, collectively referred to as Tricon American Homes).

As an asset manager, we manage and originate the investments of private comingled funds and separate investment accounts that participate in the development of real estate in North America, by providing financing (generally in the form of participating loans that consist of a base rate of interest and/or a share of net future cash flow) to developers. The investments in these comingled funds and separate accounts are typically related to residential land development, single-family homebuilding, multi-family construction or retail development done in conjunction with residential projects.

As an investor, we co-invest in our private comingled funds and separate accounts as well as in our U.S. single-family rental limited partnerships. Through these partnerships we provide equity capital to a network of "best in class" rental operating partners who acquire, renovate, sell, lease and manage distressed single-family homes. Despite the gradual recovery in the U.S. housing market, the Company continues to believe that U.S. single-family homes can be purchased at discounts to peak pricing and replacement cost, and even to current retail pricing, through foreclosure, short sales and bank REO ("real estate owned") sales. The Company is generating attractive risk-adjusted yields from its investment in these limited partnerships.

We measure the success of our business by employing several key performance indicators that 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 peer 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)

Monitoring changes in **Assets Under Management** (AUM) is key to evaluating trends in our revenue. Growth in AUM is driven by capital commitments to Tricon-managed funds, separate accounts and side-car investments provided by investors, prior and new, and both institutional and high net worth. These separate account and side-car investments are typically driven by investments in projects with investment criteria outside of an active fund's discipline, and may also be syndicated to other investors.

For reporting purposes, AUM is defined as:

(i) Capital commitments by investors in funds managed by Tricon that are paying Contractual Fees and/or General Partner Distributions:

- **Funds:** During a fund's investment period, AUM is equal to a fund's capital commitment. AUM decreases after the expiry of a fund's investment period, typically four years, due to investment realization, at which time it is calculated as the lesser of (i) a fund's capital commitment; and (ii) a fund's invested capital plus unfunded commitments

- **Syndicated/Side-Car Investments and Separate Accounts:** AUM is equal to invested plus unfunded capital commitments, less realized value

(ii) Direct investments made by the Company using its own debt or equity. The calculation of AUM varies by investment vehicle, namely:

- **Single-Family Rental:** AUM is equal to the fair value of assets, investment properties and inventory homes, before imputed selling expenses. As such, while investments in this business drive AUM growth, liquidations have the opposite effect

- **Co-Investment in Funds and Separate Accounts:** AUM is calculated as the fair value of invested capital plus unfunded commitments. Typically the Company commits 10% on Separate Account investments, with the balance committed by institutional investors.

As an asset manager, our financial success relies on our ability to select successful, high-return investments and attract investors to our private comingled funds and separate accounts. The management of these funds currently produces three main revenue streams:

- **Contractual Fees** are based on the capital committed to the funds and/or separate investment accounts during their respective Investment Periods which lasts between 3-4 years after initial close. Thereafter, Contractual Fees 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 as 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. They are not contingent on the performance of the funds.

- **Performance Fees** are calculated based on prescribed formulas within a fund's Limited Partnership Agreement and/or syndicated investment's Trust Agreement and paid on each distribution subsequent to repayment of investor capital and the predetermined preferred return. As such, they are 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 and co-investor in our private comingled fund and separate account businesses the Company generates investment income, including fair value adjustments:

- **Investment Income** is earned as we are a principal and co-investor in our private comingled fund and separate account businesses, 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 in projects, loans or limited partnerships other than those described in (i) and (ii).

- **Automated Valuation Model (AVM)** is used to determine the fair value of our investments in the SFR limited partnerships based on the fair value of the underlying net assets, on a house by house basis. The model arrives at a value for these homes based on comparable sales and listings. In addition to investing in homes held as long-term rentals, the limited partnerships we are invested in also generate revenue from Inventory Homes sold. These are select properties purchased opportunistically specifically for the purpose of being renovated and sold within six months. An alternative valuation method of Broker Priced Opinion ("BPO") is utilized when AVM values are unavailable.

Other key Company performance measures are detailed below. In management's opinion, Adjusted Base EBITDA, Adjusted EBITDA, and Adjusted Net Income figures are the most useful measures of performance; they include the changes in the fair values of the Company's investments, but 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 "3.1 Adjusted Financial Information" 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.

- **Adjusted Base Revenues** are defined as all income and fees earned other than Performance Fees.

- **EBITDA** refers to Earnings before Interest Expense, Income Taxes, Depreciation and Amortization. EBITDA is a recognized 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 with the addition of the Annual Incentive Plan, Investment Income – SFR Fair Value Adjustment, Performance Fees (net of 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 after the Annual Incentive Plan, Investment Income – SFR Fair Value Adjustment, Performance Fees earned less the Performance Fee-Related Bonus Pool.

- **Adjusted Net Income** refers to Adjusted EBITDA after Stock Option Expense, Amortization Expenses, Interest Expense and Provision for Income Taxes.

The Company accounts for its investments at fair value; however, management believes that certain information related to the net assets and operating results of the U.S. single-family rental limited partnerships is relevant to an understanding of the fair values of the Company's investments and the changes therein. All information related to the underlying limited partnerships represents non-IFRS financial information. The specific metrics we use to evaluate the performance in assessing the fair values of these underlying assets are as follows:

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

- **Capitalization Rate** for a rental property is defined as its Gross Rental Operating Income (as defined in Section 5) divided by its Capital Invested.

2. HIGHLIGHTS

2.1 Operations

- Adjusted Base Revenue increased 260% YOY to $17.7 million. This significant increase was driven by investment income from our acquisition of 68.4% of Tricon IX, continued momentum in Tricon American Homes (our U.S. single-family rental strategy) and Contractual Fees generated from the second close of Tricon XI and two new transactions.
- Adjusted EBITDA increased 409% YOY to $17.2 million, resulting in YTD Adjusted EBITDA of $40.6 million. The improvement was driven by revenue growth, augmented by fair value adjustments to investments in Tricon American Homes as well as Deemed Performance Fees from the Tricon IX acquisition.
- Adjusted Net Income increased 511% YOY to $10.1 million. Adjusted Basic EPS and Adjusted Diluted EPS increased to $0.15 and $0.12 respectively, despite a 118% and 180% YOY increase in our weighted average share count to 68.0 million and 87.2 million respectively.
- On November 12, 2013, the Board of Directors declared a dividend of $0.06 cents per share to shareholders of record on December 31, 2013 payable on January 15, 2014.
- Tricon XI had a second close on September 13, 2013 and a third close on October 31, 2013, increasing total fund capitalization to US$301.5 million.
- The Company secured two large transactions representing US$117.5 million for the development of two institutional quality master-planned communities. Fulshear Farms is a US$50.0 million investment located in Houston, Texas, 90% of which has been syndicated to a Canadian institutional investor by way of a separate account. Vistancia West is a US$67.5 million investment located in Phoenix, Arizona; Tricon XI committed 20% and the Company has warehoused the remaining 80% with the intent to syndicate approximately 90% of that to an institutional investor.
- AUM at September 30, 2013 of $1.6 billion represented a 54% YOY and 25% sequential increase.
- The Company's investment in Tricon American Homes generated Gross Rental Operating Income of $4.0 million. In addition, home prices increased by $10.9 million over the prior quarter, rising by 4-5% in each of our key markets. This gain was offset by $10.3 million of capital expenditures (which should ultimately generate further increases in value), operator performance fees, non-controlling interest and other sundry costs, resulting in net unrealized fair value appreciation of $581,000. Note that all references are sequential and YOY comparisons are not meaningful as Tricon American Homes was launched in 2Q12.
- The Single-Family Gross Rental Operating Income margin improved by 100 bps to 62% quarter-over-quarter. This improvement is a result of an increase in the portfolio's occupancy rate to 80% this quarter from 74% in 2Q13. Occupancy rate for rental homes owned six months or longer increased to 92% from 90% quarter-over-quarter.

2.2 Subsequent Events

- On November 12, 2013, the Board of Directors declared a dividend of 6 cents per share to shareholders of record on December 31, 2013 payable on January 15, 2014.
- On October 31, 2013, Tricon XI held a third close for commitments of US$41,100,000. The fund's final close is expected to be on December 3, 2013.

3. FINANCIAL REVIEW

Set out below is a comparative review of financial results for 3Q13 and YTD ended September 30, 2013, compared to the same periods in 2012. These results should be read in conjunction with the unaudited condensed consolidated interim financial statements.

3.1 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, Unrealized Foreign Exchange (Gain) Loss, Financing Fees related to the SFR facility embedded within Investment Income – SFR, Financing Fees related to the new Royal Bank of Canada/J. P. Morgan Bank credit facility as well as other Non-Recurring Expenses as shown in section "3.2 Net and Comprehensive Income (Loss)" below.

AUM increased sequentially and YOY primarily as a result of:

- Tricon IX interest acquired of $278.2 million, in 3Q13
- Increased investment in U.S. Single-Family Rental properties of $48.8 million and $275.3 million, respectively
- The second close of Tricon XI with commitments of US$135.4 million, in 3Q13
- The close of two separate investment accounts with commitments of US$117.5 million
- Foreign exchange fluctuations

These increases were offset by:

- Reduction in Tricon VIII's fee base as a result of distributions made to limited partners
- Reduction in Tricon IX third party AUM due to the acquisition of limited partner interests

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Selected Income Statement Information
(Rounded to nearest thousands of dollars)

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2013	2012	Variance	2013	2012	Variance
Contractual Fees	$ 5,684,000	$ 2,472,000	$ 3,212,000	$ 9,899,000	$ 7,788,000	$ 2,111,000
General Partner Distributions	746,000	744,000	2,000	2,213,000	2,887,000	(674,000)
Investment Income - SFR	2,680,000	202,000	2,478,000	6,469,000	161,000	6,308,000
Investment Income - Fund and Separate Account Co-investment	8,514,000	1,311,000	7,203,000	10,032,000	1,686,000	8,346,000
Interest Income	77,000	194,000	(117,000)	393,000	519,000	(126,000)
Adjusted Base Revenues	**17,701,000**	**4,923,000**	**12,778,000**	**29,006,000**	**13,041,000**	**15,965,000**
Salaries and Benefits	1,232,000	935,000	(297,000)	3,566,000	2,768,000	(798,000)
Professional fees	429,000	308,000	(121,000)	1,130,000	700,000	(430,000)
Directors' fees	85,000	98,000	13,000	232,000	197,000	(35,000)
General and Administration Expenses	429,000	242,000	(187,000)	1,163,000	671,000	(492,000)
Adjusted Base Operating Expenses	**2,175,000**	**1,583,000**	**(592,000)**	**6,091,000**	**4,336,000**	**(1,755,000)**
Adjusted Base EBITDA	**15,526,000**	**3,340,000**	**12,186,000**	**22,915,000**	**8,705,000**	**14,210,000**
Annual Incentive Plan	(2,020,000)	35,000	(2,055,000)	(2,944,000)	(709,000)	(2,235,000)
Investment Income - SFR Fair Value Adjustment (1)	581,000	-	581,000	17,436,000	-	17,436,000
Performance Fees	7,186,000	8,000	7,178,000	7,357,000	83,000	7,274,000
Performance Fee-Related Bonus Pool (LTIP)	(4,085,000)	(4,000)	(4,081,000)	(4,170,000)	(42,000)	(4,128,000)
Adjusted EBITDA	**17,188,000**	**3,379,000**	**13,809,000**	**40,594,000**	**8,037,000**	**32,557,000**
Stock Option Expense (2)	(202,000)	(47,000)	(155,000)	(389,000)	(222,000)	(167,000)
Interest Expense	(3,193,000)	(556,000)	(2,637,000)	(7,374,000)	(556,000)	(6,818,000)
Amortization	(209,000)	(290,000)	81,000	(551,000)	(855,000)	304,000
Income Tax (Expense) Recovery	(3,531,000)	(841,000)	(2,690,000)	(9,693,000)	(1,831,000)	(7,862,000)
Adjusted Net Income	**$ 10,053,000**	**$ 1,645,000**	**$ 8,408,000**	**$ 22,587,000**	**$ 4,573,000**	**$ 18,014,000**
Adjusted Basic Earnings Per Share	**$ 0.15**	**$ 0.05**		**$ 0.45**	**$ 0.18**	
Adjusted Diluted Earnings Per Share	**$ 0.12**	**$ 0.05**		**$ 0.33**	**$ 0.18**	
Weighted Average Shares Outstanding - Basic	**68,042,566**	**31,167,971**		**50,521,380**	**25,417,971**	
Weighted Average Shares Outstanding - Diluted	**87,227,946**	**31,181,721**		**67,698,872**	**25,427,971**	

(1) The increase in fair value of the rental partnership investment has been split into two components, realized and unrealized. Realized for 3Q13 and YTD 2013 is $2,680,000 and $6,469,000, respectively, and represents SFR Net Income less corresponding non-controlling interest balance and overhead allocated to the strategy at the corporate level. Unrealized SFR relates to the fair value adjustment of the single-family rental portfolio, and is shown net of estimated potential rental operator performance fees.

(2) In 3Q13, Management determined that stock options granted should be expensed when determining Adjusted Net Income since it is a cost to the Company. Therefore, the expense has been included fully in 3Q13 and comparatives adjusted accordingly.

Contractual Fees for 3Q13 and YTD 2013 increased by $3,212,000 and $2,111,000, respectively, year over year. The increase was driven by a second close on Tricon XI with $1,495,000 of “catch-up” as new investors are required to pay fees from the fund’s initial close in July 2012.

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Contractual Fees
(Rounded to nearest thousands of dollars)

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2013	2012	Variance	2013	2012	Variance
Tri Continental Capital LP	$ 6,000	$ 6,000	$ -	$ 19,000	$ 19,000	$ -
Tri Continental Capital VI LP	-	30,000	(30,000)	-	106,000	(106,000)
Tri Continental Capital VII LP	-	343,000	(343,000)	-	1,160,000	(1,160,000)
Tricon VIII LP	189,000	301,000	(112,000)	640,000	909,000	(269,000)
Tricon IX LP	994,000	807,000	187,000	2,795,000	2,379,000	416,000
Tricon X LP	289,000	250,000	39,000	828,000	722,000	106,000
Tricon XI LP	2,240,000	339,000	1,901,000	2,923,000	339,000	2,584,000
Total Contractual Fees from Funds	**3,718,000**	**2,076,000**	**1,642,000**	**7,205,000**	**5,634,000**	**1,571,000**
Heritage Valley	39,000	39,000	-	118,000	118,000	-
5 St. Joseph - Tricon X	-	29,000	(29,000)	29,000	86,000	(57,000)
Placerville - TCC V Investors	4,000	4,000	-	11,000	11,000	-
Total Contractual Fees from Syndicated Accounts	**43,000**	**72,000**	**(29,000)**	**158,000**	**215,000**	**(57,000)**
Cross Creek	315,000	324,000	(9,000)	928,000	1,939,000	(1,011,000)
Shea	1,026,000	-	1,026,000	1,026,000	-	1,026,000
FF Texas	582,000	-	582,000	582,000	-	582,000
Total Contractual Fees from. Separate Accounts	**1,923,000**	**324,000**	**1,599,000**	**2,536,000**	**1,939,000**	**597,000**
Total Contractual Fees	**$ 5,684,000**	**$ 2,472,000**	**$ 3,212,000**	**$ 9,899,000**	**$ 7,788,000**	**$ 2,111,000**
General partner distributions (Tricon XII)	**$ 746,000**	**$ 744,000**	**$ 2,000**	**$ 2,213,000**	**$ 2,887,000**	**$ (674,000)**

Investment Income – SFR – Tricon's single-family rental strategy or Tricon American Homes was launched in May 2012 and over the course of the year built scale but did not produce significant Investment Income, therefore YOY comparisons are not meaningful. For 3Q13 and YTD 2013 Investment Income was $3,261,000 and $23,905,000 which includes both realized and unrealized fair value increases, net of related unrealized foreign exchange (gain) loss, interest and financing expenses, and income taxes, see table below.

The Investment Income – SFR in 3Q13 and YTD 2013 from realized fair value adjustments was $2,680,000 and $6,469,000, respectively, which reflects ongoing operations but also includes some one-time expenses ("Other Expenses") which are not included in the segmented data in Section [5]. Unrealized fair value from capital appreciation was $581,000 and $17,436,000, respectively (both net of rental operator performance fees). With regards to 3Q13's change of $581,000, home prices increased by $10,933,000 over the prior quarter (based on the AVM methodology which is used to value homes on a quarterly basis), generally rising by 4-5% in each of Tricon American Homes' key markets. This gain was offset by $9,263,000 of capital expenditures related to renovations and other capitalized closing costs which were incurred during the quarter. Further, an incremental $1,089,000 is deducted from the fair value to account for non-controlling interest, operator performance fees and other sundry costs.

(Rounded to nearest thousands of dollars)

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2013	2012	Variance	2013	2012	Variance
Investment Income - SFR	$ 2,680,000	$ 202,000	$ 2,478,000	$ 6,469,000	$ 161,000	$ 6,308,000
Investment Income - SFR Fair Value Adjustment	581,000	-	581,000	17,436,000	-	17,436,000
Total Investment Income - SFR	**$ 3,261,000**	**$ 202,000**	**$ 3,059,000**	**$ 23,905,000**	**$ 161,000**	**$ 23,744,000**

Single-Family Rental Reconciliation to Financial Statement
(Rounded to nearest thousands of dollars)

	For the Three Months Ended September 30, 2013		For the Nine Months Ended September 30, 2013	
	USD	CAD	USD	CAD
Gross Rental Operating Income	$ 3,816,000	$ 3,982,000	$ 8,885,000	$ 9,142,000
Gross Profit Margin Inventory Homes	624,000	649,000	1,596,000	1,635,000
Professional fees, General & Administration Expenses, Rental Operator Asset Management	(1,313,000)	(1,347,000)	(2,858,000)	(2,920,000)
Other Expenses	(513,000)	(604,000)	(1,285,000)	(1,388,000)
Investment Income - SFR Realized	**2,614,000**	**2,680,000**	**6,338,000**	**6,469,000**
Unrealized Fair Value Gain	541,000	581,000	17,877,000	17,436,000
Unrealized Foreign Exchange	-	(5,227,000)	-	1,277,000
Credit Facility Fees	(229,000)	(237,000)	(3,887,000)	(4,009,000)
Interest Expense	(747,000)	(758,000)	(1,197,000)	(1,218,000)
Tax	762,000	744,000	(561,000)	(619,000)
Investment Income - SFR per Financial Statements	**$ 2,941,000**	**$ (2,217,000)**	**$ 18,570,000**	**$ 19,336,000**

Investment Income – Fund and Separate Account Co-investment increased for 3Q13 and YTD 2013 by $7,203,000 and $8,346,000 YOY primarily due to the acquisition of the 68.4% interest in Tricon IX. The above amounts have been adjusted for Deemed Performance Fees from the buy-out of limited partners of $7,186,000 (reallocated to Performance Fees), Unrealized Foreign Exchange and Tax Expense amounts; Investment Income when including these items for 3Q13 and YTD 2013 was $14,537,000 and $16,335,000, respectively.

Interest Income consists of interest earned on cash, short-term and other investments. The YOY decrease for 3Q13 and YTD 2013, of $117,000 and $126,000 respectively reflects the lower cash balance.

Salaries and Benefits for 3Q13 and YTD 2013 increased by $297,000 and $798,000, respectively, over corresponding periods in the prior year as a result of the hiring over the past 12 months of two senior investment professionals, an investment analyst and two administrative staff members as well as normal increases in base salaries.

Compensation - the Board of Directors approved a new Compensation Incentive Plan in September, 2013, consisting of an Annual Incentive Plan (AIP) and a Performance Fee-Related Bonus Plan (LTIP). The plan was approved as of January, 2013 and as such is retroactive from that time.

AIP will be calculated based on 15–20% of Adjusted Base EBITDA less Tricon IX Investment Income with the actual rate determined annually at the Board's discretion. For 2013, AIP will be calculated as 20% of Adjusted Base EBITDA less Tricon IX Investment Income, net of AIP recognized in prior quarters at 12.5%. As a result, 3Q13 AIP expense includes a "catch-up" component to account for unrecognized AIP in 1H13. Unlike the previous plan where 100% of annual bonus was awarded in cash, under this new plan, 60% of AIP compensation will be distributed as cash, and 40% in phantom units with a one-year vesting and expense period.

LTIP expense is generated from two sources: (i) 50% of the Company's share of performance fees or carried interest from funds and separate accounts, paid in cash when received, and (ii) 15-20% of Tricon IX investment income payable in DSUs (Deferred Stock Units) which vest over a five year period.

Compensation Plans
(Rounded to nearest thousands of dollars)

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2013	2012	Variance	2013	2012	Variance
AIP						
Adjusted Base EBITDA	$ 15,526,000	$ 3,340,000	$ (12,186,000)	$ 22,915,000	$ 8,705,000	$ (14,210,000)
Less: Tricon IX Investment Income	(8,193,000)	-	8,193,000	(8,197,000)	-	8,197,000
Base for AIP Calculation	7,333,000	3,340,000	(3,993,000)	14,718,000	8,705,000	(6,013,000)
60% to be Paid in Cash	1,212,000	(35,000)	(1,247,000)	1,766,000	709,000	(1,057,000)
40% in Deferred Share Units	808,000	-	(808,000)	1,178,000	-	(1,178,000)
AIP at 20% of Base Above (1)	**$ 2,020,000**	**$ (35,000)**	**$ (2,055,000)**	**$ 2,944,000**	**$ 709,000**	**$ (2,235,000)**
LTIP						
LTIP at 20% on Tricon IX Investment Income (2)	$ 492,000	$ -	$ (492,000)	$ 492,000	$ -	$ (492,000)
LTIP at 50% on Tricon IX Deemed Performance Fees (3)	3,593,000	-	(3,593,000)	3,593,000	-	(3,593,000)
LTIP at 50% on Performance Fees Received	-	4,000	4,000	85,000	42,000	(43,000)
Total LTIP for the Period	**$ 4,085,000**	**$ 4,000**	**$ (4,081,000)**	**$ 4,170,000**	**$ 42,000**	**$ (4,128,000)**

(1) 3Q13 includes a catch-up expense for prior quarters as a result of the compensation plan change.
(2) The Performance Fee-Related Bonus Pool includes 20% on Tricon IX Investment Income earned. The full 20% is paid out in the form of deferred share units which vest over 5 years. Under IFRS 2, these units are expensed over 6 years on a graded basis.
(3) LTIP on Tricon IX Deemed Performance Fees was fully vested and paid in phantom units which will be released ratably over 3 years.

Professional Fees for 3Q13 and YTD 2013 increased by $121,000 and $430,000, respectively, when compared to the corresponding period in the prior year. During 3Q12 and YTD 2012 legal fees were incurred for the U.S. single-family rental limited partnerships structuring and for new corporate strategic initiatives. During YTD 2013, audit and tax consulting fees increased to cover the change in scope associated with Tricon American Homes.

Directors' Fees had a nominal change in the quarter, and increased YTD 2013 by $35,000 as a result of added meetings held and an increase in the value of Deferred Share Units ("DSU") held by directors. 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 Independent Director 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 3Q13 and YTD 2013 by $187,000 and $492,000 when compared to the corresponding periods in the prior year. The increase was a result of increased public company costs, and travel and relocation expenses related to our new office in San Francisco.

Adjusted Base EBITDA - For the reasons noted above, this increased significantly in 3Q13 and YTD 2013 to $15,526,000 and $22,915,000, respectively, an increase of 365% and 163%, respectively, when compared to the corresponding periods in 2012.

Performance Fees - As a result of the acquisition of the 68.4% Tricon IX interest, Deemed Performance Fees of $7,186,000 were recognized on the buy-out of the limited partners in 3Q13, with YTD 2013 Performance Fees totaling $7,357,000. The Performance Fee-Related Bonus Pool (LTIP) consists of 50% of $7,357,000 or $3,678,000 plus LTIP of $492,000 related to the grant of deferred share units on investment income earned on Tricon IX. Note that deferred share units granted on Tricon IX investment income earned vest over 5 years.

Adjusted EBITDA - As a result of the above items, this increased in 3Q13 and YTD 2013 by $13,809,000 or 409% and $32,557,000 or 405%, respectively, when compared to the corresponding periods in the prior year.

Stock Option Expense - During 3Q13, the Company determined this should be included in the determination of Adjusted Net Income since it was a cost to the Company. Since this expense was previously excluded the comparatives were adjusted to reflect the change. Note that stock compensation will increase given the structure of the new compensation plan.

Interest Expense for 3Q13 and YTD 2013 were $3,193,000 and $7,374,000, respectively, relating to interest incurred in respect of the July 2012 and February 2013 convertible debentures and interest expense at the rental operator partnership level. Interest Expense incurred at the rental operator level has been removed from Investment Income – SFR as reported, and combined with convertible debenture Interest Expense. Additionally, the bond discount amortization has been removed as a non-cash item. When these items are included for 3Q13 and YTD 2013, Interest Expense amounts to $3,839,000 and $9,207,000, respectively.

Income tax expense for YTD 2013 of $5,510,000 and consists of $3,860,000 of deferred tax expense and $1,650,000 of current tax expense. Tax expense was adjusted for tax expense from non-consolidated subsidiaries which are included in Investment Income as well as for amounts removed from earnings as a result of their non-recurring or non-cash nature. Tax expense from non-consolidated subsidiaries amounted to $791,000 and for tax adjustments relating to items adjusted $3,392,000. Therefore, total Income tax expense for both the corporation and the unconsolidated subsidiaries was $9,693,000. Deferred tax expense is in respect of fair value adjustments relating to capital appreciation, equity issuance costs, debenture issuance costs and prior year adjustments, offset by net operating losses.

(Rounded to nearest thousands of dollars)

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2013	2012	Variance	2013	2012	Variance
Tax Expense per Financial Statement	$ (2,445,000)	$ 25,000	$ (2,470,000)	$ (5,510,000)	$ (838,000)	$ (4,672,000)
Tax Expense SFR (reallocated from Investment Income - SFR)	1,916,000	108,000	1,808,000	(619,000)	16,000	(635,000)
Tax Expense Funds and Separate Accounts (reallocated)	(120,000)	(77,000)	(43,000)	(172,000)	(57,000)	(115,000)
Tax Expense on Non-Cash and Non-Recurring Items Removed	(2,882,000)	(897,000)	(1,985,000)	(3,392,000)	(952,000)	(2,440,000)
Income Tax Expense	**$ (3,531,000)**	**$ (841,000)**	**$ (2,690,000)**	**$ (9,693,000)**	**$ (1,831,000)**	**$ (7,862,000)**

Adjusted Net Income in 3Q13 and YTD 2013 was higher by $8,408,000 or 511% and $18,014,000 or 394% than the corresponding periods in 2012 as a result of the factors mentioned above as well as the tax effect of certain adjustments, as described in section “3.2 Net and Comprehensive Income (Loss)”.

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3.2 Net and Comprehensive Income (Loss)

Net income (Loss) from consolidated condensed interim financial statement is summarized below:

(Rounded to nearest thousands of dollars)

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2013	2012	Variance	2013	2012	Variance
Total Revenues	$ 18,827,000	$ 2,988,000	$ 15,839,000	$ 48,347,000	$ 11,171,000	$ 37,176,000
Total Expenses	(18,601,000)	(7,099,000)	(11,502,000)	(22,994,000)	(12,016,000)	(10,978,000)
Income Tax Expense	(2,445,000)	25,000	(2,470,000)	(5,510,000)	(838,000)	(4,672,000)
Net and Comprehensive Income for the Period	**$ (2,219,000)**	**$ (4,086,000)**	**$ 1,867,000**	**$ 19,843,000**	**$ (1,683,000)**	**$ 21,526,000**
Basic Income (Loss) per Share	**$ (0.03)**	**$ (0.13)**		**$ 0.39**	**$ (0.07)**	
Diluted Income (Loss) per Share	**$ (0.03)**	**$ (0.13)**		**$ 0.31**	**$ (0.07)**	

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

Reconciliation of Net Income to Adjusted Net Income
(Rounded to nearest thousands of dollars)

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2013	2012	Variance	2013	2012	Variance
Net and Comprehensive Income for the Period	$ (2,219,000)	$ (4,086,000)	$ 1,867,000	$ 19,843,000	$ (1,683,000)	$ 21,526,000
Adjustments:						
Long-Term Incentive Plan (including LTIP on Tricon IX Investment Income)	4,048,000	877,000	3,171,000	6,162,000	1,640,000	4,522,000
Long-Term Incentive Plan Actual	(4,085,000)	(4,000)	(4,081,000)	(4,170,000)	(42,000)	(4,128,000)
Phantom Units for 2012	577,000	185,000	392,000	799,000	554,000	245,000
Tricon IX Advisory Fees	4,619,000	-	4,619,000	4,619,000	-	4,619,000
Tricon IX Performance Fee-Related Bonus Pool	(492,000)	-	(492,000)	(492,000)	-	(492,000)
Formation Costs - New Funds	-	(265,000)	265,000	-	(192,000)	192,000
Financing Charges - SFR Facility	-	-	-	3,583,000	-	3,583,000
Unrealized SFR Selling Expenses	442,000	-	442,000	4,351,000	-	4,351,000
Interest Expense (including bond discount amortization)	3,258,000	967,000	2,291,000	8,626,000	967,000	7,659,000
Interest Expense Payable - Debentures	(2,268,000)	(556,000)	(1,712,000)	(5,990,000)	(556,000)	(5,434,000)
Financing Charges - Royal Bank/J.P. Morgan Bank Facility	400,000	-	400,000	400,000	-	400,000
Net Change in Fair Value of Derivative	396,000	2,343,000	(1,947,000)	(7,003,000)	2,343,000	(9,346,000)
Unrealized Foreign Exchange (Gain) Loss	1,005,000	1,114,000	(109,000)	(276,000)	589,000	(865,000)
Unrealized Foreign Exchange (Gain) Loss on Co-Investments	1,052,000	(177,000)	1,229,000	721,000	(188,000)	909,000
Unrealized Foreign Exchange (Gain) Loss on Investment - SFR	6,202,000	2,144,000	4,058,000	(5,194,000)	2,093,000	(7,287,000)
Total Non-Recurring and Non-Cash Adjustments	15,154,000	6,628,000	8,526,000	6,136,000	7,208,000	(1,072,000)
Tax Effect of Above Adjustments (Expense)	(2,882,000)	(897,000)	(1,985,000)	(3,392,000)	(952,000)	(2,440,000)
Non-Recurring and Non-Cash Adjustments after Taxes	12,272,000	5,731,000	6,541,000	2,744,000	6,256,000	(3,512,000)
Adjusted Net Income	**$ 10,053,000**	**$ 1,645,000**	**$ 8,408,000**	**$ 22,587,000**	**$ 4,573,000**	**$ 18,014,000**

Each quarter, 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 it manages. This resulted in a LTIP expense for 3Q13 and YTD 2013 of $4,048,000 and $6,162,000 in respect of potential future LTIP, LTIP on Tricon IX Investment Income earned (expensed on a graded basis) and LTIP on Deemed Performance Fees. Since LTIP is only paid if and when the corresponding Performance Fees are earned, at a future date, potential LTIP payments have been removed in calculating Adjusted Net Income above.

Phantom Units Expense incurred relates to units issued to employees in the prior year and being expensed in the current year and therefore has been removed from the Company's performance metrics.

Tricon IX Advisory fees incurred of $4,619,000 on the purchase of the Tricon IX limited partnership interests were removed due to their non-recurring nature.

Formation Costs relating to Tricon XI which were expensed in 3Q12 and YTD 2012 were recovered on the initial close of Tricon XI in 3Q12. 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 at 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. The amortization of the bond discount was removed due to its non-cash nature. The Company incurred a one-time charge of $400,000 for its new $45 million revolving credit facility and a non-recurring financing charge in 2Q13 of $3,583,000 embedded within Investment Income – SFR, both of which have been removed. Interest Expense has been adjusted to eliminate these amounts. Interest expense on the company's credit facility was negligible this quarter. Please see "Section 5. Tricon American Homes" for further details.

Convertible Debentures - the Company is also required to fair value the derivative component of the Company's convertible debentures quarterly, resulting in a large non-cash gain to the income statement. The Net Change in Fair Value of Derivative for 3Q13 and YTD 2013 was $396,000 and ($7,003,000) and relates 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.

Unrealized Foreign Exchange (Gain) Loss for 3Q13 and YTD 2013 was $1,005,000 and ($276,000), respectively, compared to the Loss of $738,000 and $213,000 in the corresponding periods in 2012. In addition, an Unrealized Foreign Exchange (Gain) Loss of $6,202,000 and ($5,194,000) was included in the fair value of Investment Income – SFR for 3Q13 and YTD 2013, while an Unrealized Foreign Exchange Loss of $1,052,000 and $721,000 relating to the fair value of the Company's Co-Investments was included in the Investment Income – Funds and Separate Accounts.

Foreign exchange fluctuations do not expose the Company to near term economic gains or losses since the Company does not convert most of the U.S. dollars earned into Canadian dollars, which would crystallize the gains or losses. Instead, it retains the majority of 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 considered.

Please see "3.1 Adjusted Financial Information" above for more detailed explanations.

3.3 Summary of Quarterly Results

Over the last two years, the Company's AUM has grown dramatically, including an approximately 50% YOY increase. In turn, revenues, expenses and EBITDA continue to accelerate. Please see table below outlining quarterly growth for the last eight quarters.

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	For the Three Months Ended							
	30-Sep-2013	30-Jun-2013	31-Mar-2013	31-Dec-2012	30-Sep-2012	30-Jun-2012	31-Mar-2012	31-Dec-2011
Key Non-IFRS Performance Measures								
Assets Under Management	**$ 1,624,430,000**	**$1,294,911,000**	**$1,159,917,000**	**$1,115,433,000**	**$1,053,312,000**	**$1,193,152,000**	**$992,371,000**	**$964,108,000**
Adjusted Base EBITDA	$15,526,000	$4,029,000	$3,360,000	$4,169,000	$3,340,000	$3,457,000	$1,908,000	$1,321,000
Adjusted EBITDA	$17,188,000	$8,399,000	$15,007,000	$3,363,000	$3,379,000	$2,949,000	$1,709,000	$1,202,000
Adjusted Net Income	$10,053,000	$4,213,000	$8,321,000	$804,000	$1,645,000	$1,926,000	$1,002,000	$501,000
Adjusted Basic Earnings per Share	**$ 0.15**	**$ 0.10**	**$ 0.20**	**$ 0.02**	**$ 0.05**	**$ 0.07**	**$ 0.05**	**$ 0.03**
Adjusted Diluted Earnings per Share	**$ 0.12**	**$ 0.10**	**$ 0.20**	**$ 0.02**	**$ 0.05**	**$ 0.07**	**$ 0.05**	**$ 0.03**

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

	For the Three Months Ended							
	30-Sep-2013	30-Jun-2013	31-Mar-2013	31-Dec-2012	30-Sep-2012	30-Jun-2012	31-Mar-2012	31-Dec-2011
Income Statement Information								
Contractual Management Fees	$ 5,684,000	$ 2,068,000	$ 2,147,000	$ 2,197,000	$ 2,472,000	$ 3,445,000	$ 1,871,000	$ 2,315,000
General Partner Distribution	746,000	737,000	730,000	743,000	744,000	915,000	1,228,000	527,000
Performance Fees	-	163,000	8,000	12,000	8,000	75,000	-	-
Investment Income	-	-	-	-	-	-	-	(82,000)
Interest Income	77,000	205,000	111,000	89,000	194,000	185,000	140,000	181,000
Total Revenue	**6,507,000**	**3,173,000**	**2,996,000**	**3,041,000**	**3,418,000**	**4,620,000**	**3,239,000**	**2,941,000**
Investment income - SFR	(2,217,000)	8,505,000	13,048,000	1,258,000	(1,841,000)	44,000	-	-
Investment income - Fund and Separate Account Co-investment	14,537,000	985,000	813,000	2,806,000	1,411,000	234,000	46,000	-
Total Investment Income	**12,320,000**	**9,490,000**	**13,861,000**	**4,064,000**	**(430,000)**	**278,000**	**46,000**	**-**
Total Revenue and Investment Income	**18,827,000**	**12,663,000**	**16,857,000**	**7,105,000**	**2,988,000**	**4,898,000**	**3,285,000**	**2,941,000**
Salaries and Benefits	1,232,000	1,176,000	1,158,000	1,027,000	935,000	897,000	936,000	928,000
Short-Term Incentive Plan	2,310,000	1,005,000	328,000	902,000	150,000	729,000	384,000	226,000
Long Term Incentive Plan	4,048,000	732,000	1,383,000	135,000	923,000	398,000	541,000	(180,000)
Professional Fees	429,000	375,000	326,000	533,000	309,000	200,000	192,000	253,000
Directors Fees	85,000	43,000	104,000	51,000	97,000	45,000	54,000	42,000
Formation Cost	-	-	-	-	(265,000)	49,000	24,000	25,000
General and Administration Expense	429,000	390,000	344,000	268,000	242,000	220,000	209,000	397,000
Interest Expense	3,839,000	3,238,000	2,130,000	1,440,000	961,000	-	-	-
Net Change in Fair Value of Financial Instruments Through (Profit) Loss	396,000	(8,579,000)	1,180,000	5,328,000	2,343,000	-	-	-
Transaction costs	4,619,000	-	-	-	-	-	-	-
Amortization	209,000	186,000	156,000	306,000	290,000	274,000	290,000	350,000
Realized and Unrealized Foreign Exchange (Gain) Loss	1,005,000	(911,000)	(370,000)	(878,000)	1,114,000	(845,000)	320,000	467,000
Total Expenses	**18,601,000**	**(2,345,000)**	**6,739,000**	**9,112,000**	**7,099,000**	**1,967,000**	**2,950,000**	**2,508,000**
Income (Loss) Before Income Taxes	226,000	15,008,000	10,118,000	(2,007,000)	(4,111,000)	2,931,000	335,000	433,000
Income Tax (Expense) Recovery	(2,445,000)	(2,626,000)	(439,000)	(508,000)	25,000	(771,000)	(92,000)	(178,000)
Net income (loss)	**(2,219,000)**	**12,382,000**	**9,679,000**	**(2,515,000)**	**(4,086,000)**	**2,160,000**	**243,000**	**255,000**
Total comprehensive income (loss) for the period	**$ (2,219,000)**	**$ 12,382,000**	**$ 9,679,000**	**$ (2,515,000)**	**$ (4,086,000)**	**$ 2,160,000**	**$ 243,000**	**$ 255,000**
Basic Earnings per Share	**$ (0.03)**	**$ 0.30**	**$ 0.23**	**$ (0.07)**	**$ (0.13)**	**$ 0.08**	**$ 0.01**	**$ 0.01**
Diluted Earnings per Share	**$ (0.03)**	**$ 0.14**	**$ 0.23**	**$ (0.07)**	**$ (0.13)**	**$ 0.08**	**$ 0.01**	**$ 0.01**
Weighted Average Shares Outstanding	67,737,752	41,764,212	41,754,012	34,696,264	31,167,971	26,855,471	18,230,471	18,237,404
Weighted Average Shares Outstanding - Diluted	86,104,095	60,114,888	42,422,929	34,696,264	31,181,721	26,855,471	18,230,471	18,237,404

3.4 Segment Information

- Segment information is provided below for a greater understanding of Adjusted EBITDA generated from our three business segments, before and after overhead allocation.
- Overhead expenses that relate to specific business lines were allocated to the business line in question, while non-specific expenses were allocated to each business segment based on the segment's year to date base revenue as a percent of the total. The Company changed the allocation methodology in 2Q13 from AUM, which is more reflective of fee revenue earned and is a proxy for its Fund Management business. Actual Base Revenues earned take into account all business lines and is a consistent metric over time.
- The Company believes this general overhead allocation method is practical and better reflects each segment's overhead costs.
- As can be seen below, the Company's principal investing business segment has grown substantially over the last twelve months and is expected to continue to grow throughout 2013.

	For the Three Months Ended September 30, 2013			
		Principal Investing		
	Fund Management	Single-Family Rental Homes	Co-Investment	Total
Adjusted Base Revenues	$ 6,430,000	$ 2,757,000	$ 8,514,000	$ 17,701,000
Overhead Allocation	(790,000)	(339,000)	(1,046,000)	(2,175,000)
Adjusted Base EBITDA	**5,640,000**	**2,418,000**	**7,468,000**	**15,526,000**
Management Fee-Related Bonus Pool	(733,000)	(315,000)	(972,000)	(2,020,000)
Investment Income - SFR Fair Value Adjustment	-	581,000	-	581,000
Performance Fees	7,186,000	-	-	7,186,000
Performance Fee-Related Bonus Pool	(4,085,000)	-	-	(4,085,000)
Adjusted EBITDA	**$ 8,008,000**	**$ 2,684,000**	**$ 6,496,000**	**$ 17,188,000**
Segment Adjusted EBITDA / Total Adjusted EBITDA	47%	16%	38%	100%

	For the Three Months Ended September 30, 2012			
		Principal Investing		
	Fund Management	Single-Family Rental Homes	Co-Investment	Total
Adjusted Base Revenues	$ 3,410,000	$ 202,000	$ 1,311,000	$ 4,923,000
Overhead Allocation	(1,097,000)	(65,000)	(421,000)	(1,583,000)
Adjusted Base EBITDA	**2,313,000**	**137,000**	**890,000**	**3,340,000**
Management Fee-Related Bonus Pool	25,000	1,000	9,000	35,000
Performance Fees	8,000	-	-	8,000
Performance Fee-Related Bonus Pool	(4,000)	-	-	(4,000)
Adjusted EBITDA	**$ 2,342,000**	**$ 138,000**	**$ 899,000**	**$ 3,379,000**
Segment Adjusted EBITDA / Total Adjusted EBITDA	69%	4%	27%	100%

	For the Nine Months Ended September 30, 2013			
		Principal Investing		
	Fund Management	Single-Family Rental Homes	Co-Investments	Total
Adjusted Base Revenues	$ 12,112,000	$ 6,862,000	$ 10,032,000	$ 29,006,000
Overhead Allocation	(2,545,000)	(1,441,000)	(2,105,000)	(6,091,000)
Adjusted Base EBITDA	**9,567,000**	**5,421,000**	**7,927,000**	**22,915,000**
Management Fee-Related Bonus Pool	(1,230,000)	(696,000)	(1,018,000)	(2,944,000)
Investment Income - SFR Fair Value Adjustment		17,436,000		17,436,000
Performance Fees	7,357,000	-	-	7,357,000
Performance Fee-Related Bonus Pool	(4,170,000)	-	-	(4,170,000)
Adjusted EBITDA	**$ 11,524,000**	**$ 22,161,000**	**$ 6,909,000**	**$ 40,594,000**
Segment Adjusted EBITDA / Total Adjusted EBITDA	28%	55%	17%	100%

	For the Nine Months Ended September 30, 2012			
		Principal Investing		
	Fund Management	Single-Family Rental Homes	Co-Investment	Total
Adjusted Base Revenues	$ 11,194,000	$ 161,000	$ 1,686,000	$ 13,041,000
Overhead Allocation	(3,723,000)	(53,000)	(560,000)	(4,336,000)
Adjusted Base EBITDA	**7,471,000**	**108,000**	**1,126,000**	**8,705,000**
Management Fee-Related Bonus Pool	(608,000)	(9,000)	(92,000)	(709,000)
Performance Fees	83,000	-	-	83,000
Performance Fee-Related Bonus Pool	(42,000)	-	-	(42,000)
Adjusted EBITDA	**$ 6,904,000**	**$ 99,000**	**$ 1,034,000**	**$ 8,037,000**
Segment Adjusted EBITDA / Total Adjusted EBITDA	86%	1%	13%	100%

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3.5 Balance Sheet Items

At September 30, 2013, the Company's assets increased by $302.9 million, primarily due to the proceeds raised from the $86.0 million convertible debenture offering completed in February 2013 and the $241.5 million common share offering completed in August 2013. Proceeds from the convertible debenture offering were invested in the U.S. single-family rental limited partnerships, while the proceeds from the common share offering were used to acquire a 68.4% interest in Tricon IX. Liabilities are discussed in greater detail below following the discussion on assets/investments.

Subsequent to the adoption of the Investment Entity amendments, the balance sheet no longer includes amounts related to wholly owned subsidiaries which hold investments or co-investments in Tricon IX, Tricon XI, Tricon XII, the Separate Account loans and the U.S. single-family rental limited partnerships. The investments in these entities are now presented on a fair value basis rather than on a consolidated basis.

(Rounded to nearest thousands of dollars)

	September 30, 2013	December 31, 2012
Total Assets	$ 620,750,000	$ 217,553,000
Total Liabilities	176,545,000	76,258,000
Equity	$ 444,205,000	$ 141,295,000

(Rounded to nearest thousands of dollars)

Assets	September 30, 2013	December 31, 2012
Current Assets	$ 25,180,000	$ 36,345,000
Investment - SFR	246,312,000	140,693,000
Investments - Fund and Separate Account Co-investment	339,037,000	32,241,000
Fixed, Intangible and Deferred Tax Assets	10,221,000	8,274,000
Total Assets	**$ 620,750,000**	**$ 217,553,000**

Cash Available for Investment

The Company currently has sufficient cash available to fund its remaining commitment in funds Tricon IX, Tricon XI and Tricon XII as well as the Cross Creek Ranch, Fulshear Farms, and Vistancia West co-investments.

Investment – SFR (Single-Family Rental)

By the end of 3Q13 the Company had invested US$222.8 million in its U.S single-family rental investment strategy which when combined with fair value adjustments resulted in total net investment (i.e. Investment – SFR) of $246.3 million (US$240.5 million). As shown on the following page, this amount represents the fair value of the single-family rental assets less the fair value of the single-family rental liabilities and the non-controlling interest.

Please see Section 5 "Tricon American Homes" for further detailed information on the Company's single-family home rental portfolio and for a breakdown of the change in the fair value of the Company's investment.

Single-Family Rental Balance Sheet Details
(Rounded to nearest thousands of dollars)

	As of September 30, 2013		As of December 31, 2012	
	USD	CAD	USD	CAD
Housing inventories	$ 15,711,000	$ 16,087,000	$ 14,619,000	$ 14,544,000
Investments properties	333,113,000	341,092,000	140,318,000	139,602,000
Other assets	28,329,000	29,023,000	9,417,000	9,369,000
Total Assets	**377,153,000**	**386,202,000**	**164,354,000**	**163,515,000**
Current liabilities	5,368,000	5,496,000	2,724,000	2,710,000
Deferred Income Tax Liabilities	- 20,000	- 20,000	620,000	617,000
Other long-term liabilities	100,000	102,000	-	-
Bank Loans	95,788,000	98,082,000	8,161,000	8,119,000
Total Liabilities	101,236,000	103,660,000	11,505,000	12,101,000
Net Assets - SFR	**$ 275,917,000**	**$ 282,542,000**	**$ 152,849,000**	**$ 151,414,000**
Investments - SFR	**240,534,000**	**246,312,000**	**142,073,000**	**140,693,000**
Non-controlling interest	**35,383,000**	**36,230,000**	**10,776,000**	**10,721,000**

Note that translation of SFR balance sheet items was calculated based on the average YTD foreign exchange rate.

Investments - Funds and Separate Account Co-investment

At 3Q13, total co-investments amounted to $339.0 million driven by a material new investment in Tricon IX, and two new Separate Account investments with combined commitments of US$125.0 million. In 3Q13, the Company received US$10.9 million from its Tricon IX investment, for the period August 13 (when the transaction closed) through September 30. Please see below for a summary of investments.

Summary of Funds and Separate Account Co-Investment
(Rounded to nearest thousands of dollars)

As at September 30, 2013 (1)						
Investment	**Currency**	**Commitment**	**Unfunded Commitment**	**Advances**	**Distributions**	**Investment at Fair Value (2)**
Tricon IX	US	$ 226,775,000	$ 19,120,000	$ 272,970,000	$ 10,935,000	$ 278,190,000
Tricon XI	US	25,000,000	-	28,406,000	-	29,966,000
Tricon XII	CA	20,000,000	11,582,000	8,418,000	255,000	8,211,000
Cross Creek Ranch	US	14,400,000	1,916,000	12,484,000	5,033,000	14,699,000
Fulshear Farms	US	5,000,000	1,845,000	3,155,000	590,000	3,251,000
Vistancia West	US	55,000,000	50,710,000	4,290,000	990,000	4,709,000
Other	CA	-	-	-	-	11,000
Total		**$ 346,175,000**	**$ 85,173,000**	**$ 329,723,000**	**$ 17,803,000**	**$ 339,037,000**

(1) All amounts shown in Fund or Separate Account currency noted.
(2) Investment at Fair Value column is in Canadian dollars and agrees to the balance sheet.

3.5.1 Total Liabilities

(Rounded to nearest thousands of dollars)

Liabilities	**September 30, 2013**	**December 31, 2012**
Bank Debt	$ 13,413,000	$ -
Derivative Financial Instruments	34,281,000	23,921,000
Debentures Payable	101,507,000	33,756,000
Borrowings	**149,201,000**	**57,677,000**
Other Current Liabilities	13,257,000	6,935,000
Other Long-term Liabilities	11,582,000	9,980,000
Deferred Income Tax Liabilities	2,505,000	1,666,000
Total Liabilities	**$ 176,545,000**	**$ 76,258,000**

Borrowings

The Company completed a second 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. 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 $101.5 million and an "embedded derivative payable" of $34.3 million. The embedded derivative is fair valued on a quarterly basis through an adjustment to the income statement. At September 30, 2013, the fair value of the Derivative Financial Instrument and the Debentures Payable was $135.8 million compared to the $137.8 million owed under the facility.

As of August 2013, the Company has a $45 million credit facility with The Royal Bank of Canada and J. P. Morgan Chase with a 4 year term. The interest rate is determined on a pricing matrix ranging between Libor plus 3.5-4.0% depending on certain quarterly financial covenants. Just US$13 million was drawn under this facility as a two-month Libor rate loan on September 18, 2013 with interest calculated at 4.25% of loan principal payable and was repaid November 4, 2013.

Current Liabilities

Current liabilities for 3Q13 increased over 2012 as a result of the accrued interest expense incurred on the approximately $138 million of convertible debentures and dividends payable, offset by corporate tax payments made in respect of the 2012 fiscal year.

Long-term Incentive Plan

The Company is required under IFRS to estimate potential amounts payable pursuant to its Long-Term Incentive Plan ("LTIP") based on the estimated fair value of net assets within funds managed by the Company at each reporting period, resulting in a LTIP liability at September 30, 2013 of $11,582,000 in respect of potential future LTIP. It should be noted that LTIP is only paid if and when the corresponding Performance Fees are earned in the future (which are not recognized as revenue until they are earned).

Deferred Income Tax Liabilities

The deferred tax liabilities relate to placement agent fees incurred on funds and unrealized gains on co-investments. During 3Q13, additional placement agent fees were incurred on the second close of Tricon XI. Placement agent fees are deductible on payment for tax purposes whereas they are amortized over the fund term for accounting purposes. Unrealized gains are not taxable until realized in the future.

4. FUND INFORMATION

The Company currently manages six active funds, Tricon VIII to XII and separate accounts Cross Creek Ranch, Fulshear Farms, and Vistancia West. These 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. They also occasionally 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. fund Tricon XI provides 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.

4.1 Assets Under Management

Our funds typically have a life of eight years with two one-year extensions available under certain circumstances. An Investment Period of three to four years at the beginning of the fund's life is typical. The manager of each of these funds, a wholly-owned subsidiary of the Company, earns Contractual 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 IX, 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 1-2% 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 has been returned, together with a preferred return of 9-10%. The Performance Fee formula may also contain a "catch-up" provision that 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]: September 30, 2013	June 30, 2013	December 31, 2012	September 30, 2012
Tricon VIII	CA	October-2005	June-2008	101,124,000	101,124,000	47,860,000	47,860,000	76,848,000	76,848,000
Tricon IX	US	May-2007	January-2012	105,000,000	108,182,000	108,182,000	348,961,000	328,277,000	323,544,000
Tricon X	CA	April-2008	April-2011	85,362,000	85,362,000	78,691,000	80,258,000	79,993,000	79,994,000
Tricon XI	US	August-2012	November-2016	235,430,000	242,564,000	242,564,000	98,036,000	99,489,000	98,320,000
Tricon XII	CA	March-2011	March-2014	175,750,000	175,750,000	175,750,000	175,750,000	175,750,000	176,086,000
Separate Accounts	US	June-2012	--	174,600,000	179,890,000	175,872,000	133,840,000	128,939,000	127,422,000
Syndicated Investments	US	--	--	14,900,000	15,351,000	1,030,000	1,052,000	1,094,000	1,082,000
Syndicated Investments	CA	--	--	65,606,000	65,606,000	25,476,000	25,476,000	25,476,000	25,476,000
Private Funds						**$ 855,425,000**	**$ 911,262,000**	**$ 915,866,000**	**$ 908,772,000**
Co-Investment (Cross Creek Ranch)	US	June-2012	--	14,400,000	14,836,000	17,582,000	17,619,000	14,327,000	14,158,000
Co-Investment (Fulshear Farms)	US	September-2013	--	5,000,000	5,152,000	5,152,000	-	-	-
Co-Investment (Vistancia West)	US	September-2013	--	55,000,000	56,667,000	56,624,000	-	-	-
Co-Investment (Tricon IX)	US	May-2007	January-2012	226,775,000	233,646,000	278,190,000	-	-	-
Co-Investment (Tricon XI)	US	August-2012	November-2016	25,000,000	25,758,000	29,966,000	33,439,000	24,873,000	24,580,000
Co-Investment (Tricon XII)	CA	March-2011	March-2014	20,000,000	20,000,000	20,048,000	19,971,000	20,000,000	19,664,000
Single-Family Portfolio [4]	US	May-2012	--	400,910,000	413,058,000	361,443,000	312,620,000	140,367,000	86,138,000
Principal Investing						**769,005,000**	**383,649,000**	**199,567,000**	**144,540,000**
Total Assets Under Management						**$ 1,624,430,000**	**$ 1,294,911,000**	**$ 1,115,433,000**	**$ 1,053,312,000**

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 September 30, 2013 CA$1.0303 per US$1.00, at June 30, 2013 CA$1.0518 per US$1.00, at December 31, 2012 CA$0.9949 per US$1.00 and at September 30, 2013 CA$0.9832 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. Assets under Management is equal to the fair value of Investment Properties and Inventory Homes and exclude imputed selling expenses.

4.2 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 3Q13, two new investments were approved for Tricon XI with combined commitments of US$54.1 million. Therefore, fund capital available for investments in Tricon XI is US$93 million (an increase due to the second close), while Tricon XII remains unchanged at $66 million. We continue to seek suitable investments for Canadian fund Tricon XII and U.S fund Tricon XI, as well as manage existing investments in predecessor funds.

In Canada, given that the fundamentals for condo development projects have eroded in Toronto and Vancouver, we have opted to increasingly focus our investment activity in Alberta, which is still recovering from a pronounced 2007-2009 correction. We are currently exploring a major land investment in Calgary for Tricon XII which if it transpires will complete the investment program for the fund.

In the United States, the housing recovery that started in early 2012 continues, driven by improving confidence and new job formation. Despite mortgage rates rising from cycle lows, both volume and pricing are improving steadily on a national basis. While the rate of growth has modified in line with cyclical trends, the current supply of new residential housing remains significantly below historical norms and as a result we continue to expect accelerated growth. As such, opportunities to invest in "well located" 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 remains 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.

Fund	Projected - September 30, 2013 [1]				Projected - December 31, 2012 [1]			
	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%	1.5x	12%	2.1x	17%	1.7x	13%
Tricon IX	1.9x	14%	1.6x	10%	1.7x	14%	1.5x	11%
Tricon X	2.0x	18%	1.5x	12%	2.0x	18%	1.6x	13%
Tricon XI [2]	1.8x	25%	n/a	n/a	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]	2.6x	22%	2.0x	19%	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. Returns shown are based on the full commitment to Cross Creek Ranch, Fulshear Farms and 80% of the commitment on Vistancia West.
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:

September 30, 2013 *(in Fund currency)*

Fund	Fund Currency	Fund Capitalization [1]	Project Commitments [2]	Fund Capital Available [3]	Actual and Projected Gross Cashflow [4]			Projected Net Cashflow [5]
					Total	Realized	Unrealized	
Tricon VIII	CA	$ 101,124,000	$ 102,981,000	$ -	$ 179,448,000	$ 105,556,000	$ 73,892,000	$ 93,927,000
Tricon IX	US	331,775,000	322,520,000	-	581,375,000	57,935,000	523,440,000	274,163,000
Tricon X	CA	85,362,000	88,733,000	5,000,000	150,912,000	33,428,000	117,484,000	76,102,000
Tricon XI [6]	US	260,430,000	160,528,000	93,000,000	219,784,000	1,594,000	218,190,000	98,558,000
Tricon XII [6]	CA	195,750,000	117,700,000	66,000,000	135,794,000	2,654,000	133,140,000	65,544,000
Syndicated Investments [7]	CA	65,606,000	25,476,000	-	57,052,000	7,026,000	50,026,000	32,492,000
Separate Accounts	US	249,000,000	249,000,000	-	593,714,000	23,734,000	569,980,000	367,213,607
Total - June 30, 2013 [8]					**$ 1,918,079,000**	**$ 231,927,000**	**$ 1,686,152,000**	**$ 1,007,999,607**
Total - Previous Quarter					**$ 1,496,397,000**	**$ 210,988,000**	**$ 1,285,409,000**	**$ 734,128,000**

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 plus reserves. Project commitments can exceed Fund Capitalization as a result of re-investment rights. Syndicated project commitments shown of $25,476,000 are for current active projects.
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.

The breakdown of underlying exposure related to 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	-	2,620	58,899
Tricon IX	-	4,063	1,121	535	8,998
Tricon X [(4)]	-	-	-	2,291	317,163
Tricon XI	173	4,235	1,380	72	-
Tricon XII	-	-	-	1,664	-
Separate Accounts	338	7,311	965	-	-
Total	**557**	**18,152**	**3,466**	**7,182**	**385,060**
Double Counted [(3)(5)]	-	-	(965)	(941)	(36,481)
Net	**557**	**18,152**	**2,501**	**6,241**	**348,579**

Product Sold

Fund	Land (Acres)	Single-Family Lots [1,2]	Homes (Units)	Multi-Family (Units) [2]	Retail (SF)
Tricon VIII	-	513	-	2,594	36,714
Tricon IX	-	553	975	117	8,998
Tricon X	-	0	-	1,565	18,360
Tricon XI	-	-	49	-	-
Tricon XII	-	-	-	939	-
Separate Accounts	-	641	-	-	-
Total	**-**	**1,707**	**1,024**	**5,215**	**64,072**
Double Counted [(3)(5)]	-	-	0	(916)	(18,360)
Net	**-**	**1,707**	**1,024**	**4,299**	**45,712**

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 and 205,000 square feet of office space.
5. An investment shared between Tricon Capital Group and Tricon XI and included in both funds has been removed.

BY REGION

Product Available

Region	Land (Acres)	Single-Family Lots [1,2]	Homes (Units)	Multi-Family (Units) [2]	Retail (SF)
Canada					
Toronto	-	-	-	3,115	84,181
Vancouver	-	-	-	1,708	-
Calgary [(4)]	-	-	-	811	255,400
Edmonton	46	2,543	-	-	-
United States					
Southern California	-	749	315	72	-
Northern California	-	1,426	212	472	-
Phoenix	112	5,687	1,206	-	-
Atlanta	-	340	211	63	8,998
Florida	-	96	557	-	-
Dallas	61	-	-	-	-
Houston	338	7,311	-	-	-
Total	**557**	**18,152**	**2,501**	**6,241**	**348,579**

Product Sold

Region	Land (Acres)	Single-Family Lots [1,2]	Homes (Units)	Multi-Family (Units) [2]	Retail (SF)
Canada					
Toronto	-	-	-	2,923	36,714
Vancouver	-	-	-	1,099	-
Calgary [(4)]	-	-	-	160	-
Edmonton	-	513	-	-	-
United States					
Southern California	-	-	39	-	-
Northern California	-	211	211	54	-
Phoenix	-	342	148	-	-
Atlanta	-	-	211	63	8,998
Florida	-	-	415	-	-
Dallas	-	-	-	-	-
Houston	-	641	-	-	-
Total	**-**	**1,707**	**1,024**	**4,299**	**45,712**

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 and 205,000 square feet of office space.

The table below details our investment in the diverse portfolio of land and inventory post acquisition of a 68.4% position in Tricon IX. Driven by improving market conditions, performance for the period August 13 through September 30 resulted in cash flow generated of US$10.9 million.

Inventory Summary

			Total Lot / Unit Breakdown Since Inception								Unsold Inventory							
			As at September 30, 2013				As at September 30, 2012				As at September 30, 2013				As at September 30, 2012			
Project	**State**	**Type**	**Lots**	**Homes**	**MF (Units)**	**Total**	**Lots**	**Homes**	**MF (Units)**	**Total**	**Lots**	**Homes**	**MF (Units)**	**Total**	**Lots**	**Homes**	**MF (Units)**	**Total**
San Francisco Portfolio	California	Multi-Family	-	-	472	472	-	-	438	438	-	-	418	418	-	-	438	438
Eskaton Placerville	California	Land / Homebuilding	66	21	-	87	66	21	-	87	66	-	-	66	66	2	-	68
Greater East Bay Portfolio	California	Land / Homebuilding	1,360	191	-	1,551	1,482	104	-	1,586	1,149	1	-	1,150	1,320	2	-	1,322
Atlanta Portfolio	Georgia	Land / Homebuilding	340	205	-	545	423	122	-	545	340	-	-	340	423	19	-	442
Paseo Lindo	Arizona	Homebuilding	-	141	-	141	82	59	-	141	-	3	-	3	82	2	-	84
SoCal Portfolio	California	Land / Homebuilding	749	-	-	749	749	-	-	749	749	-	-	749	749	-	-	749
Phoenix Lot Portfolio	Arizona	Land	1,452	-	-	1,452	1,452	-	-	1,452	1,110	-	-	1,110	1,191	-	-	1,191
Woodstock	Georgia	Multi-Family	-	6	63	69	-	6	59	65	-	-	-	-	-	-	29	29
Williams Island	Florida	Land / Homebuilding	238	415	-	653	446	207	-	653	96	142	-	238	446	-	-	446
Total			**4,205**	**979**	**535**	**5,719**	**4,700**	**519**	**497**	**5,716**	**3,510**	**146**	**418**	**4,074**	**4,277**	**25**	**467**	**4,769**

Product Sales

			Three Months Ended September 30, 2013				Three Months Ended September 30, 2012				Nine Months Ended September 30, 2013				Nine Months Ended September 30, 2012			
Project	**State**	**Type**	**Lots**	**Homes**	**MF (Units)**	**Total**	**Lots**	**Homes**	**MF (Units)**	**Total**	**Lots**	**Homes**	**MF (Units)**	**Total**	**Lots**	**Homes**	**MF (Units)**	**Total**
San Francisco Portfolio	California	Multi-Family	-	-	19	19	-	-	-	-	-	-	54	54	-	-	-	-
Eskaton Placerville	California	Land / Homebuilding	-	1	-	1	-	-	-	-	-	2	-	2	-	-	-	-
Greater East Bay Portfolio	California	Land / Homebuilding	-	18	-	18	-	11	-	11	-	83	-	83	62	41	-	103
Atlanta Portfolio	Georgia	Land / Homebuilding	-	22	-	22	-	12	-	12	-	85	-	85	-	29	-	29
Paseo Lindo	Arizona	Homebuilding	-	10	-	10	-	-	-	-	-	45	-	45	-	36	-	36
SoCal Portfolio	California	Land / Homebuilding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phoenix Lot Portfolio	Arizona	Land	-	-	-	-	-	-	-	-	81	-	-	81	119	-	-	119
Woodstock	Georgia	Multi-Family	-	-	-	-	-	-	10	10	-	-	26	26	-	1	10	11
Williams Island	Florida	Land / Homebuilding	-	113	-	113	-	160	-	160	-	206	-	206	-	207	-	207
Total			**-**	**164**	**19**	**183**	**-**	**183**	**10**	**193**	**81**	**421**	**80**	**582**	**181**	**314**	**10**	**505**

5. TRICON AMERICAN HOMES (SINGLE FAMILY RENTAL)

The following detailed information is provided for the Company's investment in its U.S. single-family rental strategy which was initiated in 2Q12. The Company accounts for all of its investments, including the limited partnerships which own the homes in this strategy, on a fair value basis. The underlying operating performance of these limited partnerships impacts the changes in the fair value of the Company's investment and as a result Tricon believes it is prudent to disclose key operating data for the strategy. This information is broken out between rental homes and Inventory Homes. **Note that all information in this section is shown in full at 100%, meaning it includes the Company's investment and the rental operators' investment.**

Operational highlights for 3Q13:

- 358 rental homes were acquired during the quarter, bringing the total rental portfolio to 2,835 homes. Rental operators expect to maintain / accelerate the pace of acquisitions in the upcoming 2-4 quarters towards their 4,000 home goal.
- Approximately 40% of the portfolio (by capitalization) is in California, with 35% in the Southeastern U.S. (Southeast Florida and Charlotte) and 25% in the Southwest (Phoenix, Nevada and Texas).
- The rental operators launched acquisition activities in Las Vegas and San Antonio during the quarter and subsequent to quarter-end began buying homes in Tampa, Florida.
- Portfolio-wide occupancy rate was 80% at September 30, 2013, a meaningful increase from 74% at June 30, 2013. This rate may not increase substantially over the next few quarters given the expected ongoing acquisition program, but is expected to ultimately rise to approximately 95%.
- The occupancy rate for homes owned 6+ months increased from 90% to 92% quarter-over-quarter and is at 95% excluding Charlotte (as anticipated, the rental operators are in the process of renovating a large number of homes in Charlotte which were acquired in the 550 unit bulk purchase in 4Q12).
- Borrowings increased by approximately $60 million during the quarter as the rental operators continue to draw down on the $150 million credit facility with Deutsche Bank. At quarter end, this facility was approximately 50% drawn (the remaining borrowings are from two smaller credit facilities put in place in 3Q12-4Q12).
- Subsequent to quarter-end, Invitation Homes (Blackstone) priced the first major single-family rental securitization, which Tricon expects will ultimately translate into lower borrowing costs and higher advance rates (both Loan-to-Value and Loan-to-Cost) for the Company.

Financial Performance for 3Q13:

- Rental revenue increased by over 25% sequentially as the portfolio continues to grow and occupancy rates increase.
- GROI margin increased by 100 bps to 62% quarter-over-quarter. The Company expects this rate to fluctuate nominally quarter-over-quarter and could see marginal improvement over time as i) the portfolio continues to stabilize, and; ii) economies of scale are captured from managing larger pools of homes in each market.
- Gross margin from inventory homes remains on target. This segment of the business will continue to shrink as the rental operators further focus their efforts on acquiring investment properties vs. inventory homes.
- Asset management fees paid to operators was 1.2% of AUM (annualized). This rate is expected to decline marginally over the long-term as most operating agreements include a sliding fee scale whereby fees decline as AUM increases.
- The Company recorded a net increase of $1.2 million in the fair value of its single-family home portfolio during the quarter. Homes owned at June 30, 2013 increased in value by 4.5% over the quarter (on average), offset by capital expenditures incurred on homes during 3Q.

U.S. Single-Family Rental Portfolio - Summary Statistics
(in US Dollars)

The following table presents summary statistics on the Company's portfolio of single-family homes as of September 30, 2013.

Geography	Number of Homes	% of Total	Average Purchase Price per Home	Average Capital Expenditures per Home (1)	Average Investment per Home	Tricon Equity Investment	Partner Equity Investment	Borrowings	Total Capitalization	% of Total
Bay Area	242	9%	164,000	14,000	178,000	32,359,000	651,000	15,675,000	48,685,000	14%
Sacramento	402	14%	101,000	12,000	113,000	31,763,000	1,248,000	22,364,000	55,375,000	16%
Reno	139	5%	143,000	10,000	153,000	12,822,000	258,000	4,839,000	17,919,000	5%
Los Angeles County	44	2%	149,000	24,000	173,000	12,000,000	371,000	-	12,371,000	4%
Inland Empire	122	4%	131,000	20,000	151,000	15,874,000	319,000	6,272,000	22,465,000	6%
Las Vegas	102	4%	117,000	4,000	121,000	12,218,000	-	-	12,218,000	3%
Phoenix	383	14%	112,000	11,000	123,000	33,730,000	904,000	24,926,000	59,560,000	17%
San Antonio	12	0%	94,000	9,000	103,000	1,437,000	-	-	1,437,000	0%
Southeast Florida	521	18%	93,000	19,000	112,000	37,446,000	15,993,000	13,886,000	67,325,000	19%
Charlotte	868	31%	53,000	23,000	76,000	33,207,000	14,183,000	7,826,000	55,216,000	16%
Total/Weighted Average	**2,835**	**100%**	**96,000**	**17,000**	**113,000**	**222,856,000**	**33,927,000**	**95,788,000**	**352,571,000**	**100%**

Geography	Average Age	Average Size (square feet)	Homes Leased	Homes Vacant / In Rehab	Occupancy Rate (All Homes)	Occupancy Rate (Owned 6+ Months)	Average Monthly Rent (2)	Average Gross Yield (3)
Bay Area	51	1,380	206	36	85%	94%	1,540	10%
Sacramento	39	1,197	367	35	91%	96%	1,050	11%
Reno	33	1,546	91	48	65%	100%	1,250	10%
Los Angeles County	70	1,151	17	27	39%	64%	1,580	11%
Inland Empire	35	1,460	110	12	90%	93%	1,410	11%
Las Vegas	27	1,456	68	34	67%	N/A	1,000	10%
Phoenix	10	1,996	326	57	85%	97%	960	9%
San Antonio	23	1,695	3	9	25%	N/A	1,170	14%
Southeast Florida	50	1,412	442	79	85%	92%	1,430	15%
Charlotte	62	1,302	646	222	74%	85%	930	15%
Total/Weighted Average	**45**	**1,431**	**2,276**	**559**	**80%**	**92%**	**1,140**	**13%**

(1) Represents the higher of actual capital expenditure and estimated capital expenditure per home. The actual capital expenditure for Las Vegas includes a portfolio of approximately 60 fully renovated homes which were acquired in September 2013 and only required minimal capital expenditures, if any.
(2) Represents average expected monthly rent on all homes.
(3) Represents annualized average expected monthly rent per home as a percentage of average investment per home.

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Single-Family Portfolio Financial Information
For the Nine Months Ended September 30, 2013

	For the Three Months Ended September 30, 2013		For the Nine Months Ended September 30, 2013	
	USD	CAD	USD	CAD
Rental Revenue (A)	$ 6,153,000	$ 6,389,000	$ 14,529,000	$ 14,916,000
Property Taxes	627,000	650,000	1,425,000	1,463,000
Renovation Expense	456,000	475,000	998,000	1,026,000
HOA/Utilities	246,000	256,000	609,000	625,000
Other Direct Expenses	70,000	73,000	182,000	187,000
Property Management Fees	478,000	489,000	1,171,000	1,194,000
Leasing Commissions	205,000	204,000	466,000	470,000
Insurance	250,000	254,000	753,000	767,000
Bad Debt Expense	5,000	6,000	40,000	42,000
Rental Expenses (B)	2,337,000	2,407,000	5,644,000	5,774,000
Gross Rental Operating Income ("GROI")	**$ 3,816,000**	**$ 3,982,000**	**$ 8,885,000**	**$ 9,142,000**
GROI Margin (GROI/A)	62%	62%	61%	61%
Inventory Homes Revenue	$ 9,467,000	$ 9,832,000	$ 23,929,000	$ 24,513,000
Less:				
Cost of Homes Sold	8,618,000	8,950,000	21,792,000	22,324,000
Selling Expenses	225,000	233,000	541,000	554,000
Gross Profit Margin Inventory Homes ("GPMIH")	**$ 624,000**	**$ 649,000**	**$ 1,596,000**	**$ 1,635,000**
Gross Margin (excludes Selling Expenses)	7%	7%	7%	7%
Single-Family Gross Operating Income ("SFGOI") (SFGOI = GROI + GPMIH)	**$ 4,440,000**	**$ 4,631,000**	**$ 10,481,000**	**$ 10,777,000**
Professional Fees	(48,000)	(52,000)	(90,000)	(96,000)
General and Administration Expenses	(129,000)	(115,000)	(244,000)	(232,000)
Other Expenses	(191,000)	(198,000)	(209,000)	(216,000)
Rental Operator Asset Management	(945,000)	(982,000)	(2,315,000)	(2,376,000)
Single-Family Net Operating Income ("SFNOI")	**$ 3,127,000**	**$ 3,284,000**	**$ 7,623,000**	**$ 7,857,000**
Rental Operator Performance Fees (1)	281,000	291,000	(2,565,000)	(2,626,000)
Fair Value Adjustment on Investment Properties	1,914,000	2,001,000	18,649,000	19,162,000
Fair Value Adjustment on Inventory Homes (2)	(752,000)	(773,000)	1,793,000	1,838,000
Single-Family Net Income ("SFNI")	**$ 4,570,000**	**$ 4,803,000**	**$ 25,500,000**	**$ 26,231,000**

Notes:
1. Approximately US$2.5M of performance fees have been recorded as carried interest potentially payable to the rental operators.
2. Fair Value Adjustment on Inventory Homes includes reversal of prior periods' write-up on homes sold in 3Q13.

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6. THIRD QUARTER REVIEW & BUSINESS OUTLOOK

6.1 U.S. Business Outlook

Beginning in early 2012, the US housing market started a meaningful recovery off an extremely low base. While continuing to invest aggressively, through Tricon XI and several new separate accounts, we also uncovered a unique opportunity in 3Q13, to increase Tricon's direct exposure to well-located land investments sourced at the bottom of the market through distressed channels, by essentially "internalizing" Tricon IX.

As previously reported, on August 13, 2013, the Company acquired a 68.4% interest in Tricon IX Limited Partnership, a dedicated U.S. residential development fund with total committed capital of US$331.8 million. Tricon IX's investment strategy, in conjunction with its local development partners, had been to fund the acquisition and development of financially distressed U.S. residential real estate, primarily entitled land, finished and partially-finished lots, largely through the purchase of deeply discounted bank notes, REO, bankruptcy sales and sales from other motivated buyers at significant discounts to peak pricing. We now hold a majority interest in eight cash flowing residential development portfolios at various stages of completion located in San Francisco and the Greater East Bay area, Sacramento, Southern California, Phoenix, Atlanta, and Miami. Several of these trophy assets provide significant value, not just in generating outsized returns, but in facilitating conversations with national builders and developers that are interested in pursuing swaps with their assets or profit sharing build outs.

Management considers the Co-investment in Tricon IX to be a "transformative" transaction as it nearly doubled the size of the Company while providing shareholders with more meaningful exposure to U.S. land and homebuilding projects at the beginning of what we expect to be a long term up-cycle in U.S. housing. Tricon is now the only publicly traded company in Canada that provides shareholders with meaningful exposure to both U.S. land and homebuilding operations and single family rental, with invested capital allocated approximately 60% and 40%, respectively, between the two complimentary strategies. The transaction is expected to be accretive on an EPS basis between 15-30% from 2013 through 2015 and to generate approximately 15-20% compounded annual returns through the use of modest leverage (25% LTC) and build-out of two key assets in San Francisco and the surrounding area. Finally, the transaction will essentially double the size of the Company's principal investment strategy without incurring any operational changes by purchasing assets the Company was previously managing. As our market capitalization and liquidity have increased, TCN.TO was added to the S&P/TSX SmallCap Index in 3Q13.

While the purchase of a majority interest in Tricon IX has reduced third party AUM, Management is actively pursuing growth in its Fund Management business and related AUM. In this regard, the Company recently announced a third close for Tricon XI, increasing fund capitalization to US$301.5 million, in line with management's target size goal and ahead of a hard close date of December 3, 2013. Because Limited Partners admitted after the initial closing of a fund are required, inter alia, to pay Management Fees calculated as though they were admitted to the fund at the date of initial closing, this contributed to our strong 3Q13 results. Furthermore, we announced the closing of two new transactions in 3Q13, Fulshear Farms, a US$50 million investment located in Houston, Texas; and Vistancia West, a US$67.5 million investment in Phoenix, Arizona.

The Company believes its 25 year track record and ability to use its balance sheet to make major co-investments and to warehouse assets for institutional investors is enabling it to succeed where other general partners may fail. Through the end of 3Q13, our AUM grew 54% YOY to approximately $1.6bn in what is still a difficult fundraising environment. As our Fund Management business evolves, we anticipate that our growth in AUM will increasingly come from separate accounts rather than co-mingled funds which reflect 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. To support our strong growth, the company continues to hire seasoned investment professionals and experienced accounting staff. In particular, in 3Q13, a new CFO was appointed with extensive U.S. real estate and capital markets experience, while new offices were opened in San Francisco and New York City.

In terms of the investment environment, we continue to see extremely attractive opportunities, particularly related to urban in-fill and well located suburban land development projects in the United States. Our strategy for Tricon XI is to invest in well located residential development projects we purchase from distressed or motivated sellers where the business plan is to either build out units/homes with our local development partners or service the land and sell to homebuilders. In this regard, we have already committed to seven quality investments for Tricon XI representing US$146.5 million that should generate a gross IRR of 25%. 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 should last multiple years given the magnitude of the downturn.

In the U.S. single family rental segment, the Company is one of approximately ten major players that are “institutionalizing” what up until now has been a cottage industry run by small local investors and operators, albeit in a sector that is meaningfully larger than the institutional U.S. multi-family sector (buildings with 20 plus units). The Company has indirectly acquired interests in approximately 2,800 homes to date and expects to indirectly acquire interests in over 4,000 single-family homes by mid-2014. Over the near-term, this continued growth may result in stagnation in portfolio-wide occupancy but overall the Company still believes that it will be able to achieve an occupancy rate of 95% once the portfolio has been stabilized. The Company launched this strategy in April 2012 and was initially focused on homes in California (Bay Area, Sacramento and Inland Empire) and Phoenix and has since expanded its platform to Southeast Florida, Charlotte, Los Angeles, Reno, Las Vegas and San Antonio, with acquisitions in the initial target markets slowing down considerably in 3Q13 as a result of significant home price appreciation in those markets. That being said, the Company continues to see an opportunity to acquire homes at gross yields ranging from 9-14% in its actively targeted markets and continues to explore further expansion, namely into the Tampa-St Petersburg-Clearwater Florida MSA and Atlanta, Georgia.

The Company is extremely cognizant of the recent public capital market activity in the single-family rental industry, namely the IPO’s that occurred in 2012-2013 as well as recent advances in the debt capital markets, including the first major securitization of single-family rental homes which occurred subsequent to quarter end. The Company has approached its single-family rental business opportunistically and is currently assessing a variety of strategic alternatives related to both optimal debt financing as well as long-term strategic goals and objectives, which it expects will be communicated to the market in the upcoming quarters.

6.2 Canadian Business Outlook

Investment in the Canadian housing market, particularly in Toronto, remains difficult as a result of a multitude of factors including a tighter lending environment, 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 in for-sale housing although it believes that a market correction or shake out could lead to increased opportunities in the future, particularly for a well-capitalized and experienced asset manager such as Tricon.

While the overall Canadian housing market remains relatively stable, notwithstanding a more onerous investment environment in Toronto, the Company believes that there are better risk adjusted investment opportunities in the United States. As such, Tricon is well positioned to capitalize on the U.S. housing recovery through its exposure to residential land / homebuilding and its investments in U.S. single-family rental.

6.3 Staffing

The Company assesses its staffing requirements on an on-going basis and expects to continue to hire additional staff members in 2014. This reflects the significant growth in business experienced over the past 12 months. 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.

7. APPENDIX

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 September 30, 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 September 30, 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 September 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.

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 September 30, 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 investment in the 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 investment in the 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. On July 22, 2013, this term facility was restructured to a $45 million revolving credit facility financed jointly by The Royal Bank of Canada and J.P. Morgan Chase Bank. The interest rate is based on a pricing matrix of LIBOR plus 3.5% to 4.0% depending on certain quarterly financial covenants. At September 30, 2013, US$13 million was drawn by the Company and fully repaid on November 4, 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 investment in the 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 investment in the U.S. single-family home rental strategy.

On August 13, 2013, the Company issued 39,272,500 common shares under a bought deal agreement at a price of $6.15 per share. Additionally, under the acquisition of Tricon IX limited partnership interest, 9,106,388 common shares were issued under a private placement to existing Tricon IX limited partners as part of the purchase consideration.

On August 15, 2013, the Company closed a separate investment account for approximately US$50 million with a large institutional investor to support the acquisition and development of approximately 1,250 acres of prime land suitable for the development of a large master-planned community Fulshear Farms in Houston, Texas.

On September 23, 2013, the Company committed US$67.5 million to a joint venture (the “JV”) with Shea Homes active adult division (“Shea” or the “Developer”) in Phoenix, Arizona known as Vistancia West, 80% is held by the Company of which approximately 90% will be syndicated.

7.3 Transactions with Related Parties

Tricon has a 10 year sub-lease commitment on our head office premises with Mandukwe Inc. a company owned and controlled by Geoff Matus, 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 3Q12, 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 August 13, 2013 the Board of Directors declared a dividend of $5,409,000 or 6 cents per share to shareholders of record on September 30, 2013, payable on October 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. During YTD 2013 13,528 common shares were issued out of treasury under the dividend re-investment plan. On April 30, 2013, 12,500 shares were issued out of treasury from conversion of the July convertible debentures. On August 13, 2013, 48,378,888 common shares were issued out of treasury under bought deal and private placement offerings. During 3Q13, 10,900 shares were repurchased and cancelled. After giving effect to the transactions noted above, 90,146,865 common shares were outstanding as at September 30, 2013.

Stock options outstanding at September 30, 2013 were 2,271,500 which include 250,000 additional options issued during the quarter. No options have been exercised as at September 30, 2013.

Issue Date	Exercise Price		Stock Options Issued	Stock Options Vested
November 22, 2011	$	4.16	15,000	15,000
November 1, 2012	$	5.70	15,000	15,000
May 19, 2010	$	6.00	870,000	870,000
August 3, 2010	$	5.26	71,500	71,500
November 22, 2011	$	4.16	40,000	20,000
May 17, 2013	$	6.81	1,010,000	-
September 9, 2013	$	6.07	250,000	-

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. 161,540 phantom units were granted to employees, officers and directors of the Company in 1Q13. During 2Q13 and 3Q13, no additional phantom units were granted.

Please see the unaudited condensed consolidated interim financial statements at September 30, 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 most significant judgment made in preparing the interim condensed consolidated financial statements is the determination that the Company meets the definition of an investment entity in IFRS 10. In accordance with IFRS 10, an investment entity is an entity that: obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income (including rental income), or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis. IFRS 10 also clarifies that an investment entity may earn fee income from the provision of investment-related services to external parties. The Company has historically co-invested alongside external parties in funds that it manages. During 2012, the Company raised additional capital through the issuance of convertible debentures, in order to invest in U.S. single family home limited partnerships. The partnerships are established with local operating partners who acquire distressed single-family homes and renovate, lease and manage them during the investment period prior to their disposal. In determining its status as an investment entity, the Company has determined that fair value is the primary measurement attribute used to monitor and evaluate its investments, including the U.S. single family home limited partnerships, and that the substance of its participation in the partnerships is as an investor, rather than as an operator or developer of properties.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. As an investment entity, the Company accounts for subsidiaries at fair value, with the exception of subsidiaries which provide services related to the Company's investment activities including the Company's Canadian and U.S. asset management operating entities which earn contractual fees and performance fees from our funds, which continue to be consolidated. Subsidiaries providing such services are fully consolidated from the date on which control is obtained and no longer consolidated from the date on which control ceases. Inter-company transactions, balances and unrealized gains or losses on transactions between the Company and its consolidated subsidiaries are eliminated. Accounting policies of Tricon's consolidated subsidiaries have been conformed where necessary to ensure consistency to the policies adopted by the Company.

In June 2013, Management determined that the Company was an "investment entity" and no longer had to consolidate the five rental partnerships or the wholly owned subsidiaries which hold the investments in Tricon XII and Cross Creek loan. As a result, the balance sheet and income statement items of the single-family rental operators, Tricon XI, Tricon XII and the Cross Creek loan were deconsolidated from the consolidated financial statements and the Q1 2013 financials were restated and re-filed. These investments are now accounted for on a fair value basis on the restated condensed consolidated financial statements.

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.

The analysis of the Cross Creek Ranch equity investment indicated significant influence and therefore is treated as an investment in associate and accounted for using the fair value exemption election in IAS 28.

During 3Q12 and YTD 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.

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 September 30, 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 September 30, 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 early adopted this standard effective January 1, 2013 (refer to 7.6).

7.8 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 that the Company will suffer financial loss as a result of debtors being unable to fulfill their obligations to the Company. The Company's credit risk arises primarily from its investments in debt instruments, fees receivable and cash balances.

Liquidity Risk is defined as the risk the Company will not be able to 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 Company's financial assets, including our investments, will fluctuate because of changes in real estate market prices, interest rates or 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.

In addition to the risks mentioned in the preceding paragraph, the Company is also exposed to risks relating to its investment in the U.S. single-family rental limited partnerships 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 limited partnerships' 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 limited partnerships' 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, February 25, 2013 and August 6, 2013 and 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.

Liquidity 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.