



Tricon Capital Group Announces Initial Public Offering of Tricon Investment Partners Inc.

Toronto, Ontario – August 25, 2015 - Tricon Capital Group Inc. (“Tricon”) (TSX:TCN) announced today that its wholly-owned subsidiary, Tricon Investment Partners Inc. (the “Company”, or “TIP”), has filed and obtained a receipt for a preliminary prospectus in respect of its initial public offering of subordinate voting shares with the securities regulatory authorities of all provinces in Canada (the “Offering”). The Offering is being distributed by a syndicate of underwriters led by RBC Capital Markets and GMP Securities L.P. and including TD Securities Inc.

TIP has been established to invest in for-sale residential development opportunities across the United States and Canada with the objective of achieving long-term capital appreciation. The Company will be externally managed by Tricon and will become Tricon’s permanent growth vehicle for land and homebuilding investment opportunities, building on Tricon’s successful 27-year history of residential real estate investment. It is intended that the Company carry on and replace the investment activity currently carried on through Tricon’s private commingled funds focused on land and homebuilding. When appropriate, TIP will also partner with third party co-investors for investments of substantial size.

To seed the Company, Tricon has transferred 50% of its interest in Tricon Housing Partners LP (formerly Tricon IX or “THP1 US”) at fair market value, or approximately US\$108 million as of June 30, 2015, and in connection therewith will receive multiple voting shares in TIP. Initially, it is expected that Tricon will hold approximately 50% of the pro forma market capitalization of the Company (prior to any exercise of the overallotment option). Tricon will also continue to hold an approximate 34.2% interest in THP1 US on its balance sheet, providing alignment with TIP and its shareholders.

The Company intends to focus its initial investment activity in the United States, where it believes the best risk-adjusted opportunities currently lie. Tricon believes that the United States is in the early stages of the current housing up-cycle. U.S. housing market fundamentals are strong, with existing home sales, median home prices and homebuilder confidence levels at near-decade highs. Despite the market strength, capital remains limited for developers, providing what Tricon believes to be a large market opportunity for the Company. Given its initial U.S. investment focus, the Company will adopt the U.S. dollar as its functional and presentation currency but is intended to trade in Canadian dollars.

“The establishment of a pure play investment vehicle for Tricon’s land and homebuilding business enables Tricon to harness its asset management business while providing TIP shareholders meaningful exposure to a U.S. focused specialty finance business in growing markets with limited direct competition,” said Gary Berman, President and CEO of Tricon. “We believe this is a win-win transaction that will enhance Tricon’s valuation over time by increasing its third party assets under management and provide TIP shareholders with access to a private equity business model that has typically only been available to private market institutional investors.”

About Tricon Investment Partners or TIP

As with Tricon's current private investment vehicles, TIP intends to invest in five primary product types (land development, homebuilding, infill condominiums and attached housing, master planned communities and active-adult communities) through joint-venture or debt investments, with an initial focus on the fast-growing U.S. Sunbelt and adjacent states where Tricon has concentrated the majority of its investment activity since the U.S. financial crisis.

TIP's initial investment asset is an approximate 34.2% limited partnership interest in THP1 US (the "Initial Investment"), a Tricon-managed fund that had a final closing in January 2009 and consists of U.S. land and homebuilding assets. THP1 US is fully invested in seven development portfolios that contain underlying investments of similar nature and scope to the future investments that will be made by the Company. It is estimated that the Initial Investment will generate in excess of \$125 million of cash flow for the Company by the end of 2018, which is expected to be reinvested into similar residential development opportunities.

Business Rationale

Building on its long record of success as an asset manager, Tricon believes that establishing the Company will provide Tricon and new investors with numerous benefits as compared to raising further private equity funds to invest in the residential development sector, including:

- Providing investors with an opportunity to invest in a pure-play investment company to clearly delineate the value created from investments in for-sale residential development from the broader operation and investment strategy of Tricon;
- Creating a permanent capital vehicle, that combined with the Initial Investment, will allow Tricon to maximize value by continuing to grow its for-sale residential development business without the artificial constraints of a limited life fund and in the process to earn asset management fees and potentially performance fees as described in the preliminary prospectus;
- Providing increased investment flexibility and allowing for enhanced value maximization of opportunities;
- Allowing the Company to react more quickly and more opportunistically in its investment program as compared to private fund structures, which funds typically take between 12-24 months to raise capital and which can limit the ability of a fund investor to benefit from transactions that require a quick closing or that require capital in excess of existing investor commitments;
- Creating a company with significant market capitalization that will provide an attractive currency to source and execute on large-scale transactions;
- Providing investors with ongoing liquidity to allow them to invest/divest at any time without long-term lock-up restrictions typical within private equity funds;
- Increasing the ability to attract institutional co-investors for transactions of significant size by providing a dedicated pipeline of specified assets;
- Increasing geographic diversification for Tricon-managed investments by permitting investments in the U.S. and Canada within the same vehicle; and
- Avoiding the lengthy and time consuming private fundraising process, which will increase the time available for Tricon senior management to focus on investment and asset management activity for the Company.

Management

Tricon's investment committee and senior investment team members have been working together for between eight and 27 years and have successfully grown Tricon's land and homebuilding business throughout that time, including through the most recent U.S. financial crisis. Tricon management's track record demonstrates its ability to effectively manage investments and generate attractive returns for investors over the long term and through various economic cycles.

The strategic direction and leadership of the Company will be provided by a Board of Directors consisting of seven members, four of whom will be independent, as follows:

- Gary Berman, Chairman of the Company (President and CEO of Tricon, Member of the Investment Committee)
- David Berman, Director (Executive Chairman, co-founder and former CEO of Tricon, Chair of the Investment Committee)
- Geoff Matus, Director (Director and co-founder of Tricon, Member of the Investment Committee)
- Earl Rotman, Lead Director (former Vice Chairman, Investment Banking of Canaccord Genuity, former Vice Chairman of CIBC World Markets)
- Michael B. McCook, Independent Director (former Vice Chairman of Resmark, former Senior Investment Officer of CalPERS real estate group, former Managing Director of Institutional Housing Partners and President of Prudential Home Building Investors)
- Martha Tory, Independent Director (former Partner at Ernst & Young where she served for 39 years until her retirement)
- Michael D. Young, Independent Director (former Head of Real Estate Investment Banking, CIBC World Markets).

The officers of the Company who will focus on the day to day operations include:

- Craig Mode, President and Chief Executive Officer (Managing Director and co-head of Tricon Housing Partners)
- Jonathan Ellenzweig, Vice Chairman (Managing Director and co-head of Tricon Housing Partners)
- Douglas P. Quesnel, Chief Financial Officer (Chief Accounting Officer of Tricon)
- David Veneziano, Corporate Secretary (Vice President and General Counsel of Tricon)

The Offering

Goodmans LLP is acting as legal counsel to Tricon and the Company, and Blake, Cassels & Graydon LLP is acting as legal counsel to the underwriters.

Completion of the Offering is subject to, and conditional upon, the receipt of all necessary approvals, including regulatory approvals.

A preliminary prospectus containing important information relating to the subordinate voting shares has been filed with the securities commissions or similar authorities in each province of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus are available on SEDAR at <http://www.sedar.com>. This press release does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale or any acceptance of an offer to buy these securities until a receipt for the final prospectus has been issued.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The subordinate voting shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws. Accordingly, the subordinate voting

shares may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or except pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Advisory Regarding Forward-Looking Statements

In the interests of providing Tricon shareholders and potential investors with information regarding Tricon and the Company, including management's assessment of Tricon's and the Company's future plans and operations, certain statements contained in this news release are forward-looking statements or information within the meaning of applicable securities legislation, collectively referred to herein as "forward-looking statements." Forward-looking statements in this news release may include, but are not limited to statements regarding: the expected future activities of the Company following closing of the Offering, the anticipated arrangements between Tricon and the Company following closing of the Offering, expectations that applicable regulatory approvals will be obtained, the success and expected timing of closing of the Offering, and the anticipated benefits of the Offering.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause Tricon's or the Company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements.

There can be no assurance that the Company will ultimately complete the Offering, the size of the retained interest that Tricon would hold initially or in the future in the Company or that other arrangements would exist between Tricon and the Company.

Completion of the Offering is subject to a number of risks and uncertainties, including without limitation, those relating to due diligence, favourable market conditions, stock exchange, regulatory approvals, and approval by Tricon's and the Company's Board of Directors. Although Tricon believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. In addition, assumptions relating to such forward-looking statements generally include Tricon's current expectations and projections made in light of, and generally consistent with, its historical experience and its perception of historical trends, all of which are subject to the risk factors identified elsewhere in this news release or in the preliminary prospectus including assumptions related to receipt of all required regulatory approvals and completion of the Offering.

Furthermore, the forward-looking statements contained in this news release are made as of the date hereof and, except as required by law, Tricon and the Company undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

About Tricon Capital Group Inc.

Tricon is a principal investor and asset manager focused on the residential real estate industry in North America with approximately \$2.5 billion (C\$3.2 billion) of assets under management. Tricon owns, or manages on behalf of third-party investors, a portfolio of investments in land and homebuilding assets, single-family rental homes, manufactured housing communities, and multi-family development projects. Our business objective is to invest for investment income and capital appreciation through our Principal Investment business and to earn fee income through our Private Funds and Advisory business. Since its inception in 1988, Tricon has invested in real estate and development projects valued at approximately US\$16 billion. More information about Tricon is available at www.triconcapital.com.

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