



## **Tricon Capital Group Prices \$363 Million Securitization, Allowing For \$60 Million Equity Repatriation**

**Toronto, Ontario – October 17, 2016** – Tricon Capital Group Inc. (“Tricon” or the “Company”) (TSX: TCN), a principal investor and asset manager focused on the residential real estate industry, announced today that its Tricon American Homes (“TAH”) subsidiaries have priced their second single-family rental securitization transaction. The transaction involves the issuance and sale of pass-through certificates that represent beneficial ownership interests in a loan secured by 3,444 of TAH’s single-family rental properties.

On closing, TAH will receive gross proceeds of approximately \$363 million from the sale of six classes of fixed-rate certificates with a weighted average interest rate of 3.59% and a five-year term to maturity. The transaction is expected to close on or about October 25, 2016, at which point, approximately 88% of TAH’s homes will be included in securitization vehicles.

The anticipated transaction proceeds represent approximately 72% of the value of the securitized portfolio and approximately 80% of its all-in cost. The higher advance rate on the new securitized loan will enable Tricon to repay the debt on the portfolio under TAH’s warehouse credit facility and repatriate approximately \$60 million of equity. The Company intends to use these surplus proceeds for general corporate purposes and to continue to grow the TAH platform.

“We are very pleased with the pricing of Tricon American Homes’ second securitization transaction, which has been substantially oversubscribed,” said Gary Berman, Tricon’s President and Chief Executive Officer. “We elected to go with a five-year fixed rate deal this time to reduce TAH’s exposure to interest rate volatility and to stagger its debt maturity. The securitization process is an important part of our growth model as it allows us to capitalize on home price appreciation within our TAH portfolio and repatriate a substantial amount of equity to fund new acquisitions. This financing will also reduce our long term cost of capital, improve our return on equity, increase capacity under TAH’s dedicated warehouse credit facility and position us better for long-term growth.”

The offering of certificates is being made by Deutsche Bank Securities (as sole structuring agent, sole bookrunning manager and co-lead manager) and BofA Merrill Lynch (as co-lead manager). The various classes of certificates have been rated on a preliminary basis by Moody’s Investor Services, Kroll Bond Rating Agency and Morningstar Credit Ratings.

### **About Tricon American Homes**

Tricon American Homes is a leading owner and operator of single-family rental homes in the United States with approximately 8,000 homes in 14 markets, predominantly located in the sunbelt. TAH’s portfolio is concentrated in neighborhoods with good school districts, strong resident demographics and proximity to major employment centers, providing families with a viable alternative to homeownership. Headquartered in Orange County, California, TAH has a

team of 250 employees nationwide who are focused on driving customer retention through a high-quality product offering and a focus on customer service. More information about TAH is available at [www.triconamericanhomes.com](http://www.triconamericanhomes.com).

### **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 \$3.1 billion (C\$4.0 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 \$18 billion. More information about Tricon is available at [www.triconcapital.com](http://www.triconcapital.com).

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*Certain statements contained in this news release are forward-looking statements and are provided for the purpose of presenting information about management's current expectations and plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. These forward-looking statements include the anticipated completion of any securitization transaction, whether such a transaction will result in a lower cost of capital or improve the return on equity for the Company and the availability or anticipated use of any surplus proceeds. Such statements are subject to significant known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such statements and, accordingly, should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Factors that could cause actual results to differ include Tricon's ability to execute the securitization transaction upon terms acceptable to the Company. Although management believes that it has a reasonable basis for the expectations reflected in these forward-looking statements, actual results may differ from those suggested by the forward-looking statements for various reasons including but not limited to the assumptions, risks and uncertainties described above. These forward-looking statements reflect current expectations of the Company as at the date of this news release and speak only as at the date of this news release. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as may be required by applicable law.*

*The certificates will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The certificates will be offered and sold in the United States in accordance with Rule 144A. This press release shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the certificates in any jurisdiction in which such offer, solicitation or sale would be unlawful under the laws of such jurisdiction.*

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