TRICON CAPITAL GROUP INC.

ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

March 8, 2016

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GENERAL MATTERS

Unless otherwise indicated or the context otherwise requires, "**Company**" or "**Tricon**" refers to Tricon Capital Group Inc. and its material direct and indirect subsidiary entities. The terms "**we**" and "**our**" are references to the Company. Unless otherwise indicated, all dollar amounts in this Annual Information Form ("**AIF**") are expressed in U.S. dollars and references to "$" are to U.S. dollars; references to "C$" are to Canadian dollars.

Market data and other statistical information used in this AIF are based on independent industry publications, government publications, reports by market research firms, or other published independent sources. Some data is also based on the Company's good faith estimates that are derived from its review of internal data and information, as well as independent sources, including those listed above. Although the Company believes these sources are reliable, the Company has not independently verified the information and cannot guarantee its accuracy or completeness.

The information contained in this AIF is as of December 31, 2015, unless otherwise indicated.

Forward Looking Statements

Certain statements in this AIF may be considered "forward-looking information" as defined under applicable securities laws ("**forward-looking statements**"). Statements other than statements of historical fact contained in this document may be forward-looking statements. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate", "aim", "endeavour", "project", "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's expectations, intentions and beliefs concerning anticipated future events, results, circumstances, economic performance or expectations with respect to Tricon and its investments and are based on information currently available to management and on assumptions that management believes to be reasonable. In addition to the specific assumptions noted below, such assumptions include, but are not limited to: Tricon's positive future growth potential; continuing positive investment performance; continuing positive future prospects and opportunities; demographic and industry trends remaining unchanged; availability of a stable workforce; future levels of indebtedness; and current economic conditions remaining unchanged.

This AIF may include forward-looking statements pertaining to the following (see "Description of the Business"):

- Anticipated investment performance (including, in particular: projected returns, timelines and sales expectations, unrealized investment value, and projected cash flows). These measures are based on Tricon's own analysis of relevant market conditions and the prospects for its investees, and on projected cash flows for incomplete projects in its investment vehicles. Projected cash flows are determined based on detailed quarterly and annual budgets and cash flow projections prepared by developers for all incomplete projects. Numerous factors may cause actual investment performance to differ from current projections, including those factors noted under "Risk Factors".

- Tricon American Homes performance, and in particular the positive impact of its operational integration. These statements are based in part on the expected impact of operational synergies and advantages, which impact may not meet expectations. TAH performance depends on a number of factors described under the heading "Description of the Business – Principal Investment Vehicles – Tricon American Homes" and is subject to a number of risks, many of which are discussed in this AIF under "Risk Factors". These factors, among others, may lead to TAH performance differing from current expectations, which could impact the value of the Company's investment and financial condition.

- Anticipated demand for homebuilding, single-family rental homes, manufactured housing communities and luxury apartment suites, and any corresponding effect on occupancy rates and more generally on the performance of the Company's investments. These statements are based on management's analysis of demographic and employment data and other information that it considers to be relevant indicators of trends in residential real property demand in the markets in which the Company invests. Housing demand is dependent on a number of factors, including macro-economic factors, many of which are discussed in this AIF under "Risk Factors". If these or other factors lead to declining demand, occupancy and the pace or pricing of home sales may be negatively impacted, with a corresponding negative impact on the value of the Company's investments and its financial performance.

- The pace of acquisition and the ongoing availability of single-family rental homes at prices that match TAH's underwriting model. These statements are based on management's analysis of market data that it considers to be relevant indicators of trends in home pricing and availability in the markets in which TAH carries on its business. Home prices are dependent on a number of factors, including macro-economic factors, many of which are discussed in this AIF under "Risk Factors". If these or other factors lead to increases in home prices above expectations, it may become more difficult for TAH to find rental homes at prices that match its underwriting model.

- The intentions to build portfolios and attract investment in TAH, TLC and TLR and the Company's investment horizon and exit strategy for each investment vertical. These statements are based on management's current intentions in light of its analysis of current market conditions, the growth prospects for TAH, TLC and TLR, and the Company's understanding of investor interest in the sectors, which are factors outside of the Company's control. Should market conditions or other factors impact the ability to build investment portfolios or the Company's ability to execute on its exit strategies, actual results may differ from its current intentions.

Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors, including those noted above, could cause Tricon's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by forward-looking statements in this AIF, including, without limitation, those listed in the "Risk Factors" section of this AIF. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this AIF. See "Risk Factors" for a more complete list of risks relating to an investment in the Company and an indication of the impact the materialization of such risks could have on the Company, which could cause actual results to deviate from forward-looking statements.

Although the forward-looking statements contained in this AIF are based upon what management currently believes to be reasonable assumptions, there can be no assurance that actual results, performance or achievements will be consistent with these forward-looking statements. The forward-looking statements contained in this document are expressly qualified in their entirety by this cautionary statement. We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The forward-looking statements in this AIF are made as of the date of this document and the Company does not intend to, or assume any obligation to, update or revise these forward-looking statements or information, whether written or oral, to reflect new information, events, results or circumstances or otherwise after the date on which such statement is made as to reflect the occurrence of unanticipated events, except as required by law, including securities laws.

Non-IFRS Measures

The Company measures the success of the 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. As non-IFRS financial measures do not have standardized definitions prescribed by IFRS, they are less likely to be comparable with other issuers or peer companies. The key performance indicators used by the Company are described in detail in management's discussion and analysis for the year ending December 31, 2015, available at www.sedar.com.

GLOSSARY OF TERMS

In this Annual Information Form, the following terms have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders:

"Active Funds" means, collectively, THP1 US, THP2 US, THP1 Canada, THP2 Canada, THP3 Canada and the separate accounts, side-cars and syndicated investments described under "Description of the Business – Principal Investment Verticals – Active Fund Profiles".

"Assets Under Management" includes balance sheet capital invested in the Company's Principal Investment segment and capital managed on behalf of third-party investors in its Private Funds and Advisory business. A detailed description of the calculation of the Company's Assets Under Management is included in management's discussion and analysis for the year ending December 31, 2015, available at www.sedar.com.

"**Audit Committee**" means the audit committee of the Board of Directors.

"**Board of Directors**" or "**Board**" means the board of directors of Tricon Capital Group Inc.

"**Cobblestone**" means Cobblestone Real Estate LLC.

"**committed capital**" means capital commitments made by investors to Tricon-managed investment vehicles.

"**Common Shares**" means the common shares in the capital of Tricon Capital Group Inc.

"**Contractual Fees**" means contractual fees earned in the Company's Private Funds and Advisory business as described under "Description of the Business – Our Revenues – Private Funds and Advisory Revenues".

"**EBITDA**" means earnings before interest, taxes, depreciation and amortization.

"**funds**", "**commingled funds**", "**managed funds**", "**Tricon's funds**", "**our funds**" or "**its funds**" means closed-end commingled funds, structured as limited partnerships, managed by Tricon and formed for the purpose of investing in development properties or other transactions.

"**General Partner Distributions**" has the meaning given to such term under "Description of the Business – Our Revenues – Private Funds and Advisory Revenues".

"**institutional investors**" means entities that generally have substantial assets and investment experience, and which invest capital on behalf of other parties, including, but not limited to, sovereign wealth funds, pension funds, endowment funds, insurance companies and banks.

"**investment vehicle**" means an investment vehicle managed by Tricon, including commingled funds, separate accounts and side cars.

"**Johnson**" means The Johnson Companies LP.

"**MHC**" means a manufactured housing community and includes an RV resort or park model community.

"**Millennials**" means individuals in the 25-34 year-old demographic.

"**Performance Fees**" means incentive or performance fees earned from achieving target investment returns in an investment vehicle.

"**separate account**" means an investment vehicle in which the Company manages an investment on behalf of one institutional investor (and invests alongside that investor) for a singular investment strategy and in respect of which Tricon earns fee income.

"**side-car**" or "**side-car investment**" or "**syndicated investment**" means an investment vehicle that invests alongside a commingled fund in respect of a particular investment.

"**Sunbelt**" means the series of states in the southwestern and southern U.S. commonly known as the "sunbelt".

"**syndicated investment**" – see "side-car".

"**TAH**" means the Tricon American Homes single-family rental home investment vertical.

"**TDG**" means Tricon Development Group Ltd.

"**THP**" means the Tricon Housing Partners land and homebuilding investment vertical.

"**THP1 Canada**" means Tricon Housing Partners Canada LP (formerly Tricon VIII Limited Partnership), a limited partnership formed under the laws of the Province of Ontario, together with associated fund entities.

"**THP1 US**" means Tricon Housing Partners US LP (formerly Tricon IX, L.P.), a limited partnership formed under the laws of the State of Delaware, together with associated fund entities.

"**THP2 Canada**" means Tricon Housing Partners Canada II LP (formerly Tricon X Limited Partnership), a limited partnership formed under the laws of the Province of Ontario, together with associated fund entities.

"**THP2 US**" means Tricon Housing Partners US II LP (formerly Tricon XI, L.P.), a limited partnership formed under the laws of the State of Delaware, together with associated fund entities.

"**THP3 Canada**" means Tricon Housing Partners Canada III LP (formerly Tricon XII Limited Partnership), a limited partnership formed under the laws of the Province of Ontario, together with associated fund entities.

"**TLC**" means the Tricon Lifestyle Communities manufactured housing investment vertical.

"**TLR"** means the Tricon Luxury Residences purpose-built apartment building investment vertical.

"**TSX**" means the Toronto Stock Exchange.

"**warehoused investment**" means a temporary investment that will subsequently be offered for transfer to an investment vehicle managed by the Company.

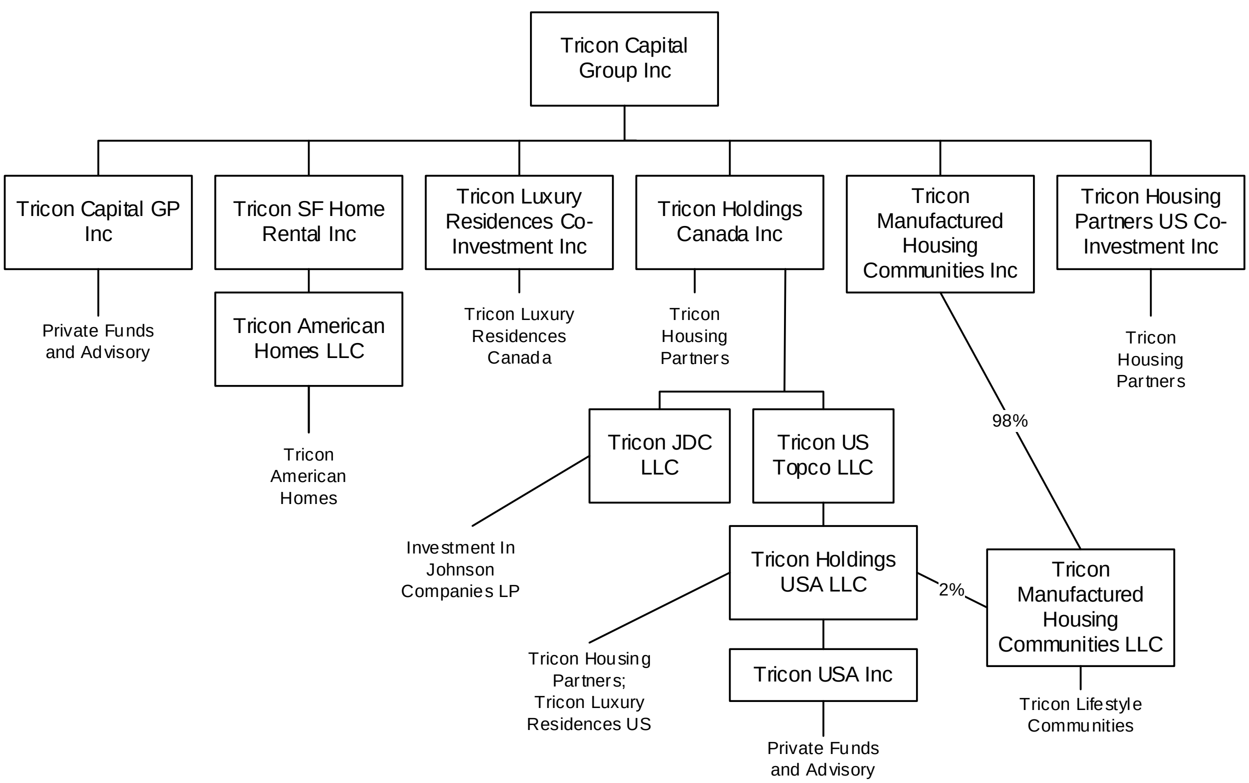
CORPORATE STRUCTURE

Name, Address and Information

A predecessor of the Company was incorporated under the *Business Corporations Act* (Ontario) on June 3, 1988 as "Tri Continental Capital Management Inc". On June 16, 1997, the Company was incorporated under the *Business Corporations Act* (Ontario) as "Tri Continental Management Inc", and continued to carry on the business. The Company changed its name to "TCC Management Inc." on July 10, 1997, and to "Tri Continental Capital Ltd." on March 19, 1999, before becoming "Tricon Capital Group Inc." on May 20, 2005. The Company's head and registered office is located at 1067 Yonge Street, Toronto, Ontario M4W 2L2.

Inter-Corporate Relationships

The following diagram depicts the intercorporate relationships among the Company's key subsidiaries as at the date hereof and indicates which of the Company's investments and activities are carried on through them:



The diagram above does not depict the structure of further subsidiary entities through which specific investments or activities are undertaken within the various investment verticals. The voting securities of all subsidiaries depicted are beneficially owned, directly or indirectly as depicted, entirely by the Company. Tricon American Homes LLC, Tricon Manufactured Housing Communities LLC, Tricon US Topco LLC, Tricon Holdings USA LLC, Tricon USA Inc. and Tricon JDC LLC are Delaware entities. All other entities are Ontario corporations.

DESCRIPTION OF THE BUSINESS

Tricon is a principal investor and asset manager focused on the residential real estate industry in North America with approximately $2.7 billion (C$3.7 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.

Tricon's business objective is to invest for investment income and capital appreciation through its Principal Investment business segments and to earn fee income through its Private Funds and Advisory business. The Company's investment activities are focused on four related and complimentary investment verticals (which are described in further detail below) within the North American residential real estate industry: Tricon Housing Partners (Land and Homebuilding), Tricon American Homes (Single-Family Rental), and Tricon Lifestyle Communities (Manufactured Housing Communities) and Tricon Luxury Residences (Purpose-Built Apartments).

Since its inception in 1988, Tricon has invested in real estate and development projects valued at approximately $17 billion.

Principal Investment

The Company invests through four investment verticals:

Through Tricon Housing Partners ("**THP**"), the Company co-invests in private investment vehicles, such as comingled funds, separate accounts, and side-cars that participate in the development of for-sale residential real estate across North America. As an investor or co-investor, the Company earns its *pro rata* share of investment income from the underlying investments.

Tricon American Homes ("**TAH**") invests in single-family rental homes through its integrated platform responsible for the acquisition, renovation, leasing and property management of single-family rental homes within major U.S. cities, primarily in the Sunbelt and adjacent states.

Tricon Lifestyle Communities ("**TLC**"), through a joint venture with Cobblestone, invests in manufactured housing communities in the U.S., situated primarily in the Sunbelt. Under the terms of the joint venture, TLC will invest 99% of the equity capital for each MHC and earn related income primarily from leasing "pads" or lots to owners of prefabricated homes and, to a much lesser extent, renting park-owned homes to tenants.

Tricon Luxury Residences ("**TLR**"), which was launched in July of 2015, co-invests in Class A purpose-built luxury rental apartments alongside local developers and institutional investors. In the U.S., TLR earns primarily investment income by participating as a dedicated limited partner in partnership with local developers and providing the majority of the project equity. In Canada, TLR co-invests alongside institutional investment partners that provide the majority of the project capital. A wholly-owned subsidiary of the Company serves as the principal developer for projects situated in Toronto in order to enhance overall returns from the investments therein. Through the Tricon Luxury Residences strategy in Canada, the Company expects to earn primarily investment income and ancillary fee income.

Private Funds and Advisory

Tricon manages an investment portfolio of residential real estate assets on behalf of third-party investors in the U.S. and Canada. Tricon also participates in these investments through its THP and TLR investment verticals. Our business objective in our Private Funds and Advisory business is to earn fee income through:

(i) Asset management of third-party capital in our private investment vehicles. The Company's asset management business is focused on investments in land and homebuilding assets through Tricon Housing Partners, and investments in Class A purpose-built apartments through Tricon Luxury Residences.

(ii) Development management and related advisory services through Tricon's 50.1% investment in Johnson and for development management services performed by Tricon Development Group Ltd. in respect of TLR projects.

Although our Private Funds and Advisory business is currently focused on investments made in the THP and TLR verticals, the Company may attract third-party capital into its other verticals over time.

Our Revenues

The Company earns revenues through its principal investments and through its Private Funds and Advisory Business. The business segment contribution to the Company's revenues over the past two fiscal years is included in the Company's financial statements and management's discussion and analysis for the year ended December 31, 2015, available at www.sedar.com.

Investment Income

Tricon earns income from principal investments made in Tricon Housing Partners, Tricon American Homes, Tricon Lifestyle Communities and Tricon Luxury Residences as described below.

As a principal investor in Tricon Housing Partners, we generate investment income that is earned from: (i) direct co-investments in our investment vehicles; (ii) occasionally investing in warehoused investments that will be offered to new investment vehicles upon their formation; and (iii) investing directly into projects or partnerships other than those described in (i) and (ii). As a co-investor, the Company earns its *pro rata* share of investment income from the underlying investments. This investment income is either "realized" investment income (representing loan interest or other distributions received) or "unrealized" investment income, representing fair value gains on the underlying investments. Fair value gains occur as an underlying development project is "de-risked" according to specific milestones being achieved.

Tricon's investment income from Tricon American Homes and Tricon Lifestyle Communities is also shown in its financial statements as realized and unrealized income:

- Realized investment income represents rental income of TAH and TLC, net of expenses and minority interests in our investment.
- Unrealized investment income represents changes in the quarterly determination of the fair value of the Company's Tricon American Homes and Tricon Lifestyle Communities investments, net of minority interests in our investment. Fair value gains are determined for TAH by external valuations of the underlying rental home portfolio (including home price index and broker price opinion valuations) and for TLC using a discounted cash flow analysis of TLC's future rental income.

Through its investment in Tricon Luxury Residences, Tricon earns unrealized investment income arising from fair value gains during the construction stage (typically three to four years), followed by realized investment income consisting of its *pro rata* share of rental income net of expenses upon stabilization. Fair value gains occur as a project is de-risked according to specific milestones being achieved, such as construction start, substantial construction completion, lease-up and investment stabilization.

Private Funds and Advisory Revenues

The management of third-party capital through commingled funds, separate accounts, side-cars and syndicated investments currently produces three main revenue streams: Contractual Fees and General Partner Distributions, which are not contingent on the performance of the investment vehicle, and Performance Fees, described below.

Contractual Fees

Contractual Fees are based on either the committed capital, or the invested capital, in our investment vehicles. During our commingled funds' investment periods (typically three to four years), third-party investors pay Contractual Fees ranging typically from 1% to 2% of committed capital per annum. Following the end of a fund's investment period, these fees are typically calculated as a percentage of the outstanding invested capital. Contractual Fees for separate accounts, side-cars and syndicated investments are based on outstanding invested capital. In all cases, Contractual Fees decline over time as investments are realized.

General Partner Distributions

General Partner Distributions are based on prescribed formulas within a commingled fund's limited partnership agreement and decline over time as investments are realized. They are not contingent on the fund's performance.

Performance Fees

Once targeted investment returns are achieved by an investment vehicle, the Company is entitled to earn Performance Fees. Performance Fees are calculated based on prescribed formulas within the contractual terms of an investment vehicle. These fees are earned following the repayment of investor capital and a predetermined rate of return and as a result are typically paid toward the end of the term of the investment vehicle. Performance Fees are typically calculated as 20% of net cash flow and are paid after investors' capital has been returned, together with a preferred return on capital of, typically, 9-10%. The Performance Fee formula may also contain a "catch-up" provision that enables the Company to earn a higher percentage of net cash flow as a Performance Fee until the ratio of the investor return (preferred return plus its share of net cash flow) to Performance Fees paid to the Company is 80/20.

Given that Performance Fees are only earned once third-party investors have received the return of their committed capital plus a preferred return, our Performance Fees are back-ended and are typically only earned many years after the commencement of an investment vehicle and only if the vehicle achieves its target investment returns. Performance Fees in private investment vehicles are intended to reward strong performance over the long-term and therefore align the interests of our private investors with those of Tricon and its shareholders.

Ancillary Fee Revenue

Through its investment in Johnson, the Company earns contractual development fee income and sales commissions from the development and sale of single-family lots, residential land parcels, and commercial land within the master planned communities that Johnson manages. Through TDG, the Company earns development management fees in connection with the services performed by Tricon Development Group Ltd. in respect of TLR projects in Toronto. Johnson is a key developer of master planned community developments in which the Company invests through Tricon Housing Partners and TDG's activities are focused exclusively on properties in which TLR invests. Accordingly, we view the fee income earned through both Johnson and TDG as a means of enhancing the Company's overall returns from investments in THP and TLR, respectively.

Principal Investment Verticals

Tricon Housing Partners (Land and Homebuilding)

Tricon Housing Partners, the Company's land and homebuilding investment vertical, is dedicated to providing equity or equity-type financing to experienced local or regional developers/builders (i.e. housing partners) in Canada and the United States. These development partners or operators acquire, develop, and/or construct primarily residential projects including single-family and multi-family land development, homebuilding, condominium construction, and ancillary commercial development related to a housing project.

The Company is opportunistic in its pursuit of investments but generally focuses on the following investments: (i) land development and housing projects including suburban subdivisions, in-fill housing, condominiums and multi-family development, and (ii) longer term investments in master planned communities, including active adult communities. These projects typically require between \$10 and \$150 million of equity capital, with most transactions requiring \$20-75 million. The investments are structured as self-liquidating transactions, generally with cash-flow generated as land, lots and homes are sold to third-party buyers (typically large homebuilders in the case of land and master planned communities, and end consumers in all other cases). In select cases, a property may also be sold in bulk to a third-party buyer in situations where sufficient returns can be achieved from the sale without participating in the full build-out of the property. With the exception of larger land investments and master planned communities, the majority of core investments are expected to be substantially completed within a two to six year time horizon.

The Company typically invests in land and homebuilding projects by making meaningful co-investments in Tricon-sponsored investment vehicles including commingled funds and separate accounts or by investing directly into the development project through a joint venture arrangement with a local operating partner. As a principal investor in Tricon Housing Partners, the Company typically co-invests 10-20% of the capital in each investment vehicle, although it owns an approximately 68.4% interest in THP1 US. On occasion, the Company will "warehouse" a direct investment on its balance sheet with the intent of selling the investment (at cost plus a preferred return) to a Tricon-managed investment vehicle upon its closing.

Tricon views land development and homebuilding as a three-step process that includes (i) rezoning and entitlement activity; (ii) installation of horizontal infrastructure, namely roads and utilities; and (iii) vertical construction of single-family and multi-family dwellings. In order to mitigate risk, our preference is to generally participate in the second and third phase, although we will invest at earlier stages when base zoning is in place or approvals are only administrative in nature. Given that the business plan for a given project requires the developer/builder to add value through planning, development and construction work, we typically underwrite our investments to achieve 20% annual compounded returns, recognizing that there may be some adjustments needed along the way.

Tricon believes that the best risk-adjusted investment opportunities for land and homebuilding are currently available in the United States, particularly in the Sunbelt and adjacent states in which it is currently invested. These markets continue to show above average population and job growth and therefore are expected to require a significant amount of new homebuilding activity to meet demographic demand. Tricon Housing Partners currently has investments in nine major markets across the United States (Northern and Southern California; Phoenix, Arizona; Southeastern Florida; Atlanta, Georgia; Charlotte, North Carolina; Houston, Austin and Dallas, Texas) and four major markets in Canada (Greater Vancouver Area, Calgary, Edmonton and Toronto).

Portfolio Overview

Additional details on the Tricon Housing Partners portfolio as of December 31, 2015, broken down by geographic region, are found in the table below.

Geographic Region	Total Units					Total Units Sold				
	Land (acres)	Single-Family Lots	Homes (Units)	Multi-Family Units	Retail (sq. ft.)	Land (acres)	Single-Family Lots	Homes (Units)	Multi-Family Units	Retail (sq. ft.)
US										
Atlanta, Georgia	-	296	786	69	8,998	-	-	423	69	8,998
Austin, Texas	-	-	-	415	-	-	-	-	-	-
Charlotte, North Carolina	12	123	1,058	-	-	-	-	77	-	-
Dallas, Texas	178	2,950	-	365	-	61	48	-	-	-
Houston, Texas	668	9,014	-	-	-	230	1,437	-	-	-
Northern California	-	1,216	481	565	23,144	-	951	481	395	19,249
Phoenix, Arizona	112	5,687	2,484	-	-	-	501	416	-	-
Southeastern Florida	-	-	653	-	-	-	-	653	-	-
Southern California	-	2,124	315	72	11,000	-	16	290	14	-
Total US	**970**	**21,410**	**5,777**	**1,486**	**43,142**	**291**	**2,953**	**2,340**	**478**	**28,247**
Canada										
Calgary, Alberta	98	2,418	582	1,101	49,800	45	972	311	427	-
Edmonton, Alberta	183	1,599	-	-	-	121	972	-	-	-
Toronto, Ontario	-	-	-	3,570	72,299	-	-	-	3,498	40,778
Vancouver, British Columbia	-	-	-	1,183	96,217	-	-	-	768	31,062
Total Canada	**281**	**4,017**	**582**	**5,854**	**218,316**	**166**	**1,944**	**311**	**4,693**	**71,840**
Total	**1,251**	**25,427**	**6,359**	**7,340**	**261,458**	**457**	**4,897**	**2,651**	**5,171**	**100,087**

1. Information above represents land and homebuilding investments made by all Active Funds.

Our Process

Tricon takes a very hands-on approach to managing and overseeing its investments in land and homebuilding projects. In our underwriting process, proposed development projects generally need to meet certain pre-conditions or criteria before they are considered, including: the nature of the underlying real estate, the calibre of the developer partners, local market conditions, investment size and period, projected returns, and availability of required project-level financing. Investments are subject to extensive due diligence reviews. Following consideration and underwriting, all investments must be approved by Tricon's investment committee.

Tricon then remains actively involved in monitoring its investments with its housing partners. For example, we typically approve or have input for any particular real estate development project with respect to: plans and specifications; the business plan and project budget; the selection and/or replacement of the construction manager, the development manager and the marketing team for the project, and the terms and conditions of their respective employment or engagement contracts; the selection and approval of other consultants, professional advisors, contractors and major subcontractors, and the terms and conditions of their employment or engagement; the terms and conditions of any financing for the project; the terms and conditions on which residential units are to be offered for sale; the terms and conditions of any development, financial or other similar agreements to be entered into with governmental authorities; the sale of the project; any non-arm's length or material arm's length contracts; and the timing of the project, both from a marketing and a construction commencement perspective.

<u>Tricon American Homes</u>

Tricon American Homes was launched in April 2012 and is focused on acquiring, renovating, and leasing single-family homes within major U.S. cities (predominantly in the Sunbelt) that exhibit strong levels of employment and population growth. Since its inception, TAH has assembled a portfolio of almost 7,200 homes across 14 markets in nine states in the U.S. as of December 31, 2015.

TAH adheres to specific acquisition criteria for each of its target markets and has local on-the-ground personnel who are responsible for underwriting, acquiring and overseeing the renovation of the homes. TAH has a disciplined, yield-based focus and a selective acquisition process, typically buying a small number of homes per day per active market, although it will pursue portfolio acquisitions from time to time. TAH's current plan is to continue to grow its portfolio by approximately 400 homes per quarter, on average, within existing markets.

TAH is headquartered in California and is operationally distinct from the investment management activities of the Company, employing its own senior management and a staff of approximately 230 individuals who oversee and execute all aspects of TAH's day-to-day acquisition, renovation, leasing and management activities through an integrated property management platform.

Investment Approach and Parameters

TAH seeks to acquire U.S. single-family homes with purchase prices in the range of $100,000 to $125,000 per home and which generally possess the following preferred characteristics: 1,200-2,000 square feet; three bedrooms; two bathrooms; two-car parking; no major structural deficiencies; small rear yard; located in a working class neighbourhood characterized by residents who own and take pride in their homes and the external maintenance thereof. In addition to these general characteristics, acquisitions target certain specific investment criteria, including: minimum gross yields, age of home, geographic location and acquisition-related capital expenditures.

Although TAH may occasionally acquire a portfolio of homes with attractive pricing and opportunities to realize synergies, TAH's purchases of single-family homes to date have largely been completed in smaller or one-off purchases, often at distressed values through foreclosure sales and similar opportunities. Once acquired, TAH anticipates investing approximately $5,000 to $30,000 on renovations and home improvements before renting the homes to tenants. Typical renovations include some or all of the following, as necessary: replacing carpet or refinishing flooring; replacing kitchen cabinetry; installing laminate or stone countertops; upgrading appliances; modernizing light fixtures; full interior/exterior repainting; replacing any aged plumbing or bathroom fixtures; and front and rear yard landscaping. Where warranted, more extensive renovations such as roof or HVAC repairs will be undertaken.

TAH's growing institutional-quality portfolio may in time garner the interest of third-party investors, which interest could provide the Company with an opportunity to wholly or partially exit its investment strategy. The Company is targeting an exit from its investment in TAH, which may take the form of a public offering of TAH or a sale to an institutional investor or fund, within five to seven years.

Tricon American Homes Operations

Prior to Q3 2014, TAH acted in partnership with local operators in each market, with each operating partner managing operations in defined geographic territories, under exclusive arrangements. Beginning in the latter half of 2014, TAH internalized the management of its portfolio and, as of February 23, 2015, homes in all markets are internally managed by TAH and leverage a consolidated platform that includes co-ordinated back-office services, such as maintenance and leasing call centres, accounting and finance, and a common technology infrastructure. As Tricon American Homes' growth continues, an integrated property management platform is intended to provide enhanced governance and efficiency of its operations while enhancing customer service to both existing and potential tenants.

Portfolio Overview

Additional details on TAH's single-family rental home portfolio, broken down by geographic region, are found in the following table.

Tricon American Homes - Portfolio Summary Statistics as of December 31, 2015

Geography	Total Homes Owned	Occupancy Rate(1)	Average Purchase Price per Home	Average Monthly Rent
Atlanta	892	86.9%	$ 62,000	$ 991
Charlotte	1,309	89.4%	64,000	926
Columbia	385	65.0%	95,000	976
Dallas	448	85.5%	117,000	1,164
Houston	794	88.7%	118,000	1,240
Indianapolis	220	35.9%	108,000	1,150
Las Vegas	289	90.3%	134,000	1,136
Northern California	633	98.3%	124,000	1,287
Phoenix	409	96.8%	115,000	1,008
Reno	251	98.0%	150,000	1,311
San Antonio	202	84.3%	91,000	1,162
Southeastern Florida	609	97.3%	99,000	1,463
Southern California	310	95.7%	149,000	1,493
Tampa	442	84.4%	85,000	1,275
Total/Weighted Average	**7,193**	**87.8%**	**$ 99,000**	**$ 1,148**

1. The computation of the occupancy rate excludes 93 “inventory homes” being held for re-sale rather than rental.

Tricon Lifestyle Communities

Tricon Lifestyle Communities was launched in 2014 and is focused on acquiring and managing existing three- to four-star MHCs, primarily in the Sunbelt, through a joint venture with its operating partner, Cobblestone, which is a vertically integrated asset and property manager with significant experience managing capital on behalf of institutions. Cobblestone’s principals have a 15-year track record acquiring and managing MHCs, including over 70 communities with over 20,000 individual home sites across the United States. Under the terms of the joint venture, TLC holds a greater than 97% interest in the MHC portfolio (with Cobblestone holding the remaining minority interest) and has committed to invest 99% of the equity required for future MHC investments.

MHC Overview

Owners of manufactured housing communities own land on which “pads” are leased to tenants. These tenants typically own prefabricated homes which are affixed to the pads (renting or lease-to-own arrangements in respect of the homes themselves are also becoming increasingly popular). A typical lease structure is a 12-month term with 30 day rolling extensions thereafter. The typical average monthly rent for a pad ranges from $300 - $600.

According to the 2013 American Housing Survey, there are 8.6 million manufactured homes in the United States, which represents approximately 6.5% of the total housing stock. The sector is primarily classified into two property types: (i) Age restricted – targeting the growing senior (55+) segment; and (ii) All ages – geared towards families seeking more affordable housing.

The vast majority of manufactured homes are affixed to a pad and anchored by tie-downs, bolts or other means and are not easily moved. Moving a manufactured home can also be cost-prohibitive, depending on the distance needed to move the home. The majority of the manufactured homes in the U.S. are still affixed to their original site placement. These factors support relatively low tenant turnover rates at MHCs.

MHCs offer affordable housing to potential homeowners very often at a significantly lower price-point than traditional wood frame homes. MHCs can provide an affordable solution for individuals who want to be homeowners but do not have the available credit or required equity to purchase a traditional stick-built home. As a result, TLC expects occupancy rates to remain stable or increase over the foreseeable future.

Investment Approach

TLC targets well-located MHCs that are initially deemed to be at least three- to four-star quality and potentially suffering from below market rents, occupancy and general market perception. Once an MHC is acquired, TLC typically invests in capital improvements intended to improve the “star” rating of the community and, as a result, increase rental rates. Typical renovations include some or all of the following, as necessary: upgrading signage, landscaping, road repair, enhancing front entrance and upgrading common amenities. TLC may also pursue what it considers to be attractive acquisitions of portfolios of MHCs should opportunities arise.

The Company believes there is an opportunity for TLC to assemble a high-yielding, institutional quality portfolio in a highly fragmented market that is largely dominated by private investors who may have difficulty increasing occupancy or rent levels because they may lack the same access to capital as larger organizations. TLC is pursuing an acquisition strategy that targets predominantly age-restricted MHCs across the United States, with a primary focus on the Sunbelt, to build a portfolio of significant scale. Such a portfolio may garner the interest of third-party investors once critical mass is achieved, which interest could provide the Company with an opportunity to exit its investment strategy. We currently expect our TLC investment horizon to be approximately 10 years.

Properties

On August 27th, 2014, TLC (through its partnership with Cobblestone) acquired Longhaven Estates, an MHC located in Phoenix, Arizona. Longhaven is comprised of 314 residential spaces on 38 acres of land and is classified as a 55+ age-restricted community.

In Q2 2015, TLC (through its partnership with Cobblestone), acquired an MHC located in Apache Junction, Arizona, which comprises 17.5 acres of land and 192 residential spaces. The MHC is classified as a 55+ age-restricted community.

On October 30, 2015, TLC (through its partnership with Cobblestone) acquired a portfolio of three age-restricted MHCs in the Phoenix MSA. The portfolio comprises 34.9 acres of land and 613 residential spaces in total.

On January 11, 2016, TLC (through its partnership with Cobblestone) acquired a portfolio of five age-restricted MHCs located in the Phoenix MSA. The portfolio comprises 1,355 residential spaces in total.

Tricon Luxury Residences

Tricon Luxury Residences, the Company’s newest vertical, was launched in July 2015. TLR is focused on investing in the development and management of Class A purpose-built rental apartments across the United States and Canada. TLR co-invests alongside local developers and institutional investors to create an income stream via its ownership stake and management role in the properties.

TLR is founded on a “build-to-core” strategy focused on assembling a portfolio of well-located purpose-built multi-family rental properties which are near major job nodes and/or transit-oriented. TLR targets markets that are underpinned by strong economic fundamentals including robust job and population growth. Tricon believes there is an opportunity to assemble a high-yielding, institutional-quality portfolio that will garner the interest of public markets and strategic investors once critical mass is achieved, and currently expects to realize on its investments within 5 to 7 years from portfolio stabilization, though earlier realization may be achieved, as described below.

Tricon believes that the market fundamentals for multi-family rental are extremely attractive. TLR's key renter cohort of Millennials is expected to grow (based on 2010 census data) by 4.5 million to 44.6 million in the U.S. and by 0.5 million to 5.2 million (based on 2011 census data) in Canada by 2020 (Source*: ESRI and Statistics Canada)*. Tricon believes the declining homeownership rates among Millennials (since 2004) and an improving labour economy will lead to strong rental demand as these young adults form new households (Source*: U.S. Census Bureau)*.

While the overall investment thesis for TLR is consistent across markets, Tricon's current approach to executing the strategy and capitalizing the platform differs in the U.S. and Canada, as described below.

TLR US

In the United States, TLR has partnered with StreetLights Residential ("**SLR**") which acts as a general partner and developer for TLR's current U.S. portfolio. SLR has developed a leading reputation across the industry due to its design-focused buildings and vertically-integrated approach to development. In 2015, SLR was recognized as the 17th largest apartment developer in the U.S. (as measured by units under construction and reported by *Multifamily Executive* Magazine). TLR will participate as a limited partner in each investment and is under no obligation to participate in any investment which is presented by SLR, nor is it restricted from entering into additional partnership agreements with other multi-family apartment development companies.

TLR is focused on the American southwest markets, including Dallas, Phoenix and San Diego. Over time, TLR may expand into other complementary markets, which may include Atlanta, Austin, the Carolinas, Houston, Los Angeles, Nashville, Seattle and South Florida, amongst others.

TLR expects to typically provide up to 90% of the project equity for U.S. projects, with the balance being invested by the developer. TLR intends in selected circumstances to partially sell down its interest in the projects to institutional investors upon stabilization, but has the option to divest a portion of its equity stake to third-party institutional investors at any time. TLR also has certain sale and buy-out rights of SLR's interest following the completion of individual developments. TLR expects to work together with SLR as the asset manager of the stabilized portfolio following the completion of construction.

TLR Canada

For Canadian projects, TLR expects to typically provide 15-20% of the project equity and intends to maintain this ownership stake in the projects. The remaining equity is provided by institutional investors that will pay management fees and possible Performance Fees to Tricon.

TLR Canada is predominantly targeting development opportunities in Toronto, but it will also evaluate opportunities in other large cities across Canada.

Tricon has formed a wholly-owned subsidiary named Tricon Development Group Ltd. to act as a principal developer for all purpose-built rental buildings in Toronto. For projects outside of Toronto, TLR Canada intends to leverage its existing relationships to identify local partners to act as development managers for such projects. TDG retains experienced third-party construction managers to oversee the direct construction of all development projects.

Current Projects

TLR closed two investments in the U.S. in late 2015, partnering with SLR in both projects for a total commitment of approximately $53 million on a 90/10 ownership basis (Tricon/SLR). The first development in Dallas, "The McKenzie", is a 22-storey building comprised of 180 units, situated on 1.3 acres of land adjacent to the exclusive Highland Park neighborhood approximately three miles from downtown Dallas. The second development, "Canals at Grand Park, Phase II" is located in the fast-growing North Dallas submarket of Frisco and will feature a four-storey building with approximately 325 units.

In Canada, TLR closed its first investment in a development opportunity in 2015: a 50-storey, 516-unit tower in downtown Toronto branded as "The Selby". Tricon partnered with a major Canadian pension plan to form a C$54.5 million separate account on an 85/15 basis (Investor/Tricon). This project is being co-developed by TDG and MOD Developments, a local third-party developer that has previously developed projects in which THP2 Canada and THP3 Canada have invested.

On February 18, 2016, TLR Canada closed its second development opportunity in downtown Toronto: a 36-storey tower located immediately south of King Street West on Spadina Avenue. Tricon partnered with a major Canadian pension plan to form a C$42.7 million separate account on an 80/20 basis (Investor/Tricon). The project is being co-developed by TDG and MOD Developments.

Private Funds and Advisory - Funds and Investment Vehicles

In our Private Funds and Advisory Business, we manage third-party capital that we currently invest in land and homebuilding projects (see "Principal Investment Verticals – Tricon Housing Partners") and in the development of Class A purpose-built apartments in Canada (see "Principal Investment Verticals – Tricon Luxury Residences"). Our revenues derived from these activities are described above (see "Our Revenues").

Our private investors include plan sponsors, institutions, endowments, foundations and high net worth investors who seek exposure to the residential industry. In our Active Funds, we have approximately 20 active institutional investors, including three of the top 30 global institutions investing in real estate as measured by assets in 2014 (Source: Private Equity Real Estate, "**PERE**") and we are currently ranked by PERE as a top-50 global real estate asset manager.

Our active land and homebuilding investment vehicles include five commingled funds, five separate accounts, three side-car investments and active syndicated investments. Also, as described above under "Principal Investment Verticals – Tricon Luxury Residences", beginning in 2015, the Company began to make investments through TLR in the development of Canadian Class A purpose-built apartments on a separate account basis with an institutional investor. Although our Private Funds and Advisory business is currently focused on the THP and TLR verticals, the Company may attract third-party capital into its other verticals over time.

Each of the Company's actively-managed investment vehicles is profiled briefly below.

Active Fund Profiles

THP1 US

A dedicated U.S. residential development fund, THP1 US had its final closing in January 2009 with committed capital of $332.8 million. THP1 US is fully invested. In conjunction with its local development partners, THP1 US provides financing for the acquisition of distressed United States residential real estate (primarily finished or partially finished lots and standing home inventory) at significant discounts from peak pricing and typical replacement cost through the acquisition of deeply discounted bank notes and assets out of bankruptcy.

In 2013, the Company acquired an approximately 68.4% limited partnership interest in THP1 US for a total purchase price of $261 million, financed by a Common Share offering (described below under "General Development of the Business – Public Financing"), an approximately $50 million private placement of

Common Shares to one of the selling limited partners, and a new revolving credit facility (see "Material Contracts"). The assets in THP1 US are projected to generate material cash flows over the course of the next few years as properties are further developed and sold.

THP2 US

THP2 US is a dedicated U.S. residential real estate fund established as a successor to THP1 US to take advantage of distressed residential investment opportunities arising out of the 2007-2009 U.S. housing recession and related credit crisis. THP2 US had its final close in December, 2013 with approximately $334 million of fund commitments. The fund's investments are primarily focused on Northern and Southern California; Phoenix, Arizona; South Florida; Dallas and Houston, Texas and Atlanta, Georgia.

THP1 Canada

THP1 Canada was formed to provide financing for Canadian residential real estate development projects. THP1 Canada had its final closing in December 2005 and had total committed capital of approximately C$100 million. THP1 Canada entered into eleven transactions in Toronto, Edmonton and Vancouver and its capital was substantially allocated by June 2008.

THP2 Canada

A dedicated Canadian fund which had its final closing in April 2009, THP2 Canada was capitalized with approximately C$85 million. THP2 Canada is fully invested in projects in Toronto and Alberta.

THP3 Canada

THP3 Canada is a dedicated Canadian fund that had its final closing in early 2012 with total commitments of approximately C$196 million. THP3 Canada is fully invested primarily in multi-family construction and land development projects in selected urban markets in Canada.

Cross Creek Ranch Separate Account

Cross Creek Ranch is a $144 million separate account formed in 2012 to invest in the acquisition and development of the Cross Creek Ranch master planned community located just southwest of Houston, Texas. Cross Creek is an active 3,200-acre master-planned community with 4,775 residential lots expected to be sold to builders as well as 238.4 acres of commercial land expected to be marketed for sale to commercial developers. Tricon has committed approximately 10% of the required capital for the separate account with the balance being committed by Tricon's institutional partner. The property is being developed by Johnson.

Grand Central Park Separate Account

Grand Central Park (formerly Grand Lakes) is a $80.8 million separate account formed in 2013 to support the acquisition and development of approximately 2,100 acres of prime land into a large mixed-use master-planned community in the City of Conroe (Houston MSA), Texas. Tricon has committed approximately 10% of the required capital for the separate account with the balance being committed by Tricon's institutional partner. The property is being developed by Johnson.

Fulshear Farms Separate Account

Fulshear Farms is a $50 million separate account formed in 2013 to acquire and develop approximately 1,250 acres of prime land suitable for the development of a large master-planned community in Houston, Texas. The property is located just west of Cross Creek Ranch. Tricon has committed approximately 10%

of the required capital for the transaction with the remainder being committed by Tricon's institutional partner. The property is being developed by Johnson.

Vistancia West Side-Car Investment

Vistancia West is a $67.5 million investment made in 2013 to support the acquisition and development of 358 acres of land in Phoenix, Arizona as an age-targeted, resort style community. THP2 US committed $18.0 million to the investment with the remaining $49.5 million commitment being funded 90% by an institutional investor and 10% by Tricon.

Arantine Hills Side-Car Investment

Arantine Hills is a $142.5 million investment announced in 2014 to support the acquisition of a fully entitled, large scale, infill residential master planned community located in Corona, California and the subsequent development and sale of partially finished lots thereon to public homebuilders. $114 million has been committed to the investment to date, with THP2 US committing $28 million and the remaining $86 million being committed 90% by an institutional investor and 10% by Tricon.

Trilogy-Verde River Separate Account

Trilogy-Verde River is a $103.5 million separate account formed in 2014 to support the acquisition, development and sale of 1,079 homes in an age-targeted, resort style community located on the border of North Scottsdale in Phoenix, Arizona. Tricon has committed approximately 10% of the required capital for the transaction with the remainder being committed by Tricon's institutional partner. The property is being developed by Trilogy Active Lifestyle Communities.

Lake Norman Side-Car Investment

Lake Norman is a $59.0 million investment made in 2014 to support the acquisition, development and sale of almost 1,200 homes in an age-targeted, resort style community located in northwest Charlotte, North Carolina. THP2 US committed $15.7 million of the required capital for the investment with the remaining $43.3 million commitment being funded 90% by an institutional investor and 10% by Tricon.

Viridian Separate Account

Viridian is an approximately $141 million separate account formed in 2015 to support the acquisition and development of an existing 2,083 acre master-planned community in Dallas – Fort Worth, Texas. Tricon has committed approximately 18% of the required capital for the investment with the balance being committed by Tricon's institutional partner. The property is being developed by Johnson.

Canadian Syndicated Investments

The Company has three active Canadian syndicated investments (Five St. Joseph, Heritage Valley and Mahogany) that have co-invested alongside its three active Canadian commingled funds. The total third-party capitalization of these investments is approximately C$45 million.

TLR Canada Separate Accounts

The Company has closed two TLR Canada investments (see "Principal Investment Verticals – Tricon Luxury Residences – Current Projects") with approximately C$80 million of total third-party commitments.

Active Fund Summary - as of December 31, 2015

(In thousands of dollars)	Currency		Total Capitalization (1)		Project Commitments (2)
THP1 US	US	$	331,775	$	320,520
THP2 US	US		333,740		296,671
Separate Accounts	US		527,821		527,821
Side-Cars	US		179,796		179,796
Total U.S. Investments			**1,373,132**		**1,324,808**
THP1 Canada	CA	$	101,124	$	102,997
THP2 Canada	CA		85,362		97,757
THP3 Canada	CA		195,750		172,700
Syndicated Investments	CA		45,476		45,476
Total Canadian Investments		**$**	**427,712**	**$**	**418,930**

1. Total Capitalization is the aggregate of the amounts committed by third-party limited partners and the Company's co-investment.
2. Project Commitments include guarantees made under loan agreements plus reserves. Project Commitments can exceed Total Capitalization as a result of re-investment rights.

General Development of the Business

The general development of the Company's business over the past three fiscal years is summarized below.

Tricon Housing Partners

In January, 2016, Tricon Housing Partners closed on a $15 million land development investment in the southeast valley of Phoenix, Arizona called Queen Creek. The investment is being made in partnership with a long-standing development partner of Tricon on an 85/15 ownership basis (Tricon/Partner).

Tricon made aggregate co-investment commitments to separate accounts and side-cars (described above under "Principal Investment Verticals – Active Fund Profiles", above) of approximately $81 million in 2013-2015.

Tricon made an approximately $25 million co-investment commitment to THP2 US, which had its final close in December, 2013 (see "Description of the Business – Principal Investment Verticals – Active Fund Profiles", above).

On August 13, 2013, Tricon acquired an approximately 68.4% limited partnership interest in THP1 US (see "Principal Investment Verticals – Active Fund Profiles", above).

Tricon American Homes

Since its launch in 2012, TAH has grown its portfolio of U.S. single-family rental homes to nearly 7,200 homes in 14 markets across nine states as of December 31, 2015. TAH's acquisition strategy is described above under "Principal Investment Verticals – Tricon American Homes".

On May 12, 2015, TAH completed a $361.3 million securitization transaction, which involved the issuance and sale of six classes of single-family rental pass-through certificates that represent beneficial ownership interests in a loan (the "**Securitized Loan**") secured by 3,505 single-family properties contributed from the TAH portfolio to a newly-formed special purpose entity owned by TAH. The Securitized Loan has a 70%

loan-to-value ratio with a blended effective interest rate based on LIBOR plus a floating rate spread. TAH incurred $12.7 million of transaction costs in connection with the financing and used the net transaction proceeds to repay $272.9 million of the TAH credit facility (described below under “Material Contracts”) and received $68.7 million (net of $6.9 million paid to non-controlling interests), of which $60 million was repatriated to Tricon with the remainder being reserved as working capital for TAH.

The Securitized Loan has an initial term of two years, with three 12-month extension options, resulting in a fully extended maturity date of May 9, 2020. The Securitized Loan, which is governed by a loan agreement (the “**Securitized Loan Agreement**”) requires monthly payments of interest and comprises six floating rate components computed based on one month LIBOR for each interest period plus a fixed component spread ranging from 1.37% to 3.62%, resulting in a blended effective interest rate of LIBOR plus 1.96% with additional servicing fees. The interest rate is subject to a 3.955% cap due to a hedge instrument in place.

On April 15, 2015, TAH completed an approximately $150 million acquisition of a portfolio of 1,385 single-family rental homes situated in Texas, North Carolina, and South Carolina from a U.S.-based private equity fund manager. The acquired portfolio provided significant geographic overlap with TAH’s existing portfolio in Houston, San Antonio and Charlotte and gained TAH entry into two new markets in Dallas-Fort Worth, Texas and Columbia, South Carolina.

Tricon Lifestyle Communities

The Company launched its Tricon Lifestyle Communities vertical in April, 2014. Tricon Lifestyle Communities has since acquired ten MHCs comprising 2,474 residential spaces, as of the date hereof. Further details concerning Tricon Lifestyle Communities, including the composition of its current portfolio, are set out above under “Principal Investment Verticals – Tricon Lifestyle Communities”.

Tricon Luxury Residences

The Company’s newest investment vertical, Tricon Luxury Residences, was launched in July, 2015. Further details concerning TLR, including its current properties, are set out above under “Principal Investment Verticals – Tricon Luxury Residences”.

Private Funds and Advisory

As detailed above under “Principal Investment Verticals – Active Fund Profiles”, above, a number of separate accounts (including, beginning in 2015, in connection with TLR investments), side-car investments, and syndicated investments were closed in 2013-2015.

In April, 2014, the Company completed an $18.5 million investment in Johnson. Through its 50.1% interest in Johnson, the Company earns fees in its Private Funds and Advisory business (See “Our Revenues – Private Funds and Advisory Revenues – Ancillary Fee Revenue”, above).

On December 5, 2013, THP2 US had its final close with aggregate commitments of $334 million. (See “Principal Investment Verticals – Active Fund Profiles”, above).

Public Financing

On November 30, 2015, the Company completed the redemption of its then-outstanding 6.375% convertible unsecured subordinated debentures (see “Description of Capital Structure – Convertible Debentures”).

On August 18, 2015, the Company completed an offering, on a bought deal basis, of 13,158,000 Common Shares at a price of C$11.40 per Common Share. The net offering proceeds were used to fund equity requirements in each of the Company's investment verticals and for general corporate purposes, including repayment of the then-outstanding balance under the Company's corporate revolving credit facility.

In August 2015, the Company launched the initial public offering of Tricon Investment Partners, which offering was subsequently withdrawn due to adverse market conditions.

On August 13, 2013, the Company completed an offering, on a bought deal basis, of 39,272,500 Common Shares at a price of C$6.15 per Common Share. The net offering proceeds were used to fund the acquisition of an approximately 68.4% interest in THP1 US, described above under "Private Funds and Advisory – Funds and Investment Vehicles – Active Fund Profiles – THP1 US" (See also "General Development of the Business – Tricon Housing Partners").

On February 25, 2013, the Company completed an offering, on a bought deal basis, of C$86 million aggregate principal amount of 5.60% convertible unsecured subordinated debentures, which are described in further detail under "Description of Capital Structure – Convertible Debentures". The net offering proceeds were used to fund further investment into Tricon American Homes.

Senior Management Team

The strategic direction and leadership of Tricon is provided by a senior management team that has substantial expertise in all aspects of the Company's business. The Company believes that the quality and commitment of its management team is the most important factor in the Company's success. Biographies of the members of the senior management team as of the date of this AIF are set out below.

Gary Berman, President and Chief Executive Officer

Gary Berman was appointed President and Chief Executive Officer of Tricon in March 2015. He is responsible for Tricon's overall operations including strategic planning, investment decisions, capital commitments, relationship management and private fundraising. Since joining Tricon in 2002, Mr. Berman has helped transform Tricon from a private provider of equity and mezzanine capital to the for-sale housing industry to a publicly listed company with multiple residential business lines. Under his leadership, Tricon has established itself as a diversified "housing brand" with a growing portfolio of investments in land and homebuilding assets, single-family rental homes, manufactured housing communities and multi-family development projects. Mr. Berman is a Director of Tricon and a member of the Company's Investment Committee.

Prior to joining Tricon, Mr. Berman held various positions in real estate development and finance with the Canderel Group of Companies, the Blackstone Group and Goldman Sachs.

Mr. Berman serves on the Board of Governors for the Corporation of Massey Hall and Roy Thomson Hall. He is also the co-founder of the Pug Awards, an online awards and education-based charity that over a decade helped to increase architectural awareness and elevate planning and design standards in Toronto.

Mr. Berman received a Master of Business Administration degree from Harvard Business School where he was designated a Baker Scholar, and a Bachelor of Commerce degree from McGill University where he graduated first overall in the Faculty of Management.

David Berman, Executive Chairman

David Berman has been involved in all phases of Tricon's development since co-founding the Company in 1988. He served as the Company's Chairman and Chief Executive Officer until March 2015, and since then has assumed the role of Executive Chairman. Mr. Berman is a member of the Company's Executive Committee and is the Chair of its Investment Committee. He has over 40 years of experience in the real estate industry in the United States, Canada and abroad.

Mr. Berman began his career in North America in 1978 at what is now Citibank Canada where he was Vice President for real estate lending. In 1982, he joined First City Development Corporation as Vice President, with responsibility for real estate acquisitions and equity lending. Prior to co-founding Tricon, Mr. Berman acted as Executive Vice President for Lakeview Estates Limited, where he was responsible for land development and single-family homebuilding.

Mr. Berman is a director of The New Home Company, a company listed on the New York Stock Exchange, and is a member of the real estate advisory board for the University of Toronto. Until recently, he held a similar position at the Fisher Center at the University of California, Berkeley.

Mr. Berman holds a Master of Business Administration degree (graduating with high distinction) and a Bachelor of Science degree from the University of the Witwatersrand in Johannesburg, South Africa.

Geoff Matus, Co-Founder and Director

Geoff Matus co-founded Tricon in 1988 and continues to provide consulting services to Tricon. He is a member of the Board of Directors, chairs the Executive Committee, is a member of Tricon’s Investment Committee and is actively involved in strategic planning.

Mr. Matus, who has extensive business experience in the United States, Canada and abroad, is the chair and co-founder of Cidel, an international financial services group, and is also chairman and director of a number of other manufacturing and financial companies. He is a director of the MaRS Discovery District (where he is chair of the Real Estate Committee) and a past member of the board of Governing Council of the University of Toronto (where he currently chairs the Pension and Endowment Investment Advisory Committee and the Real Estate Committee). He is an honorary director and past chair of the board of directors of the Baycrest Centre for Geriatric Care and a past member of the boards of Mount Sinai Hospital and the Canadian Opera Company. Mr. Matus has founded several other companies and remains a director of some of them.

In 2005, Mr. Matus was a recipient of the Jewish Federation award for outstanding service to his community. In 2010 he received the Arbor Award for outstanding service to the University of Toronto and in 2011 he was honoured as a “Man of Distinction” by the Israel Cancer Research Fund.

Mr. Matus holds Bachelor of Commerce and Law degrees from the University of the Witwatersrand in Johannesburg, South Africa, and received a Master of Laws degree from Columbia University in New York.

Wissam Francis, Chief Financial Officer

Wissam Francis was appointed Chief Financial Officer of the Company in August 2015. Mr. Francis oversees all aspects of Tricon’s financial management including financial reporting and analysis, treasury, capital market strategies, investor relations, information technology, internal audit and tax functions.

Mr. Francis has extensive experience in financial reporting, capital markets, mergers and acquisitions, corporate finance, and strategy formulation, with over 15 years of experience in real estate, and has been actively involved in various projects and sectors, including residential, retail, industrial, office, mixed-use and development projects. Prior to joining Tricon in 2014, Mr. Francis was a senior member of Ernst & Young's Transaction Real Estate advisory practice. Prior to that, he was the Director of Finance and Acquisitions at First Capital Realty.

Mr. Francis has a CPA, CMA designation and holds a Master of Business Administration degree from Wilfrid Laurier University, a Master of Arts degree in Economics from the University of Waterloo, a Bachelor of Arts degree in Finance, and an Honours Degree in Economics from the University of Western Ontario.

Douglas P. Quesnel, Chief Accounting Officer

Doug Quesnel is responsible for all aspects of Tricon's financial management, including: external public reporting, private funds and advisory reporting and investment fund administration.

Prior to joining Tricon in 2014, Mr. Quesnel served in senior executive roles with Dream Unlimited, including Chief Accounting Officer and Chief Financial Officer of Dream Global REIT, and Chief Financial Officer of Dream Unlimited Corp., where he was responsible for business planning and analysis, investor relations, financial reporting, debt and equity financing and tax planning.

Mr. Quesnel has a CPA, CA designation and holds a Graduate Diploma in Public Accountancy from McGill University and a Bachelor of Commerce degree from Concordia University.

Jonathan Ellenzweig, Managing Director

Jonathan Ellenzweig is the Co-Head of Tricon Housing Partners and is responsible for designing and implementing investment strategy, managing senior relationships with developers and investors, sourcing transactions and overseeing a dedicated team responsible for deal execution and asset management. Since joining Tricon in 2005, Mr. Ellenzweig has been an integral part of many of the Company's defining strategic initiatives, including Tricon's IPO in 2010 and the launch of Tricon American Homes in 2012. Mr. Ellenzweig is responsible for managing Tricon's San Francisco office, which he helped to establish in 2013, and provides ongoing strategic support to the Tricon American Homes vertical.

Prior to joining Tricon in 2005, Mr. Ellenzweig worked in investment banking in New York and Toronto for Citigroup Global Markets, where he was a member of the coverage and transaction execution teams for financial services and media / telecom companies. He currently serves as a member of the Policy Advisory Board for the Fisher Center for Real Estate and Urban Economics at the University of California, Berkeley and is a member of the Residential Neighborhood Development Council of the Urban Land Institute.

Mr. Ellenzweig holds an Honours Bachelor of Commerce degree from Queen's University where he was awarded First Class Honours.

Craig Mode, Managing Director

Craig Mode is the Co-Head of Tricon Housing Partners and is responsible for designing and implementing investment strategy, managing senior relationships with developers and investors, sourcing transactions and overseeing a dedicated team responsible for deal execution and asset management. Mr. Mode is also the Head of Tricon Luxury Residences U.S. and oversees the administration and management of the investment team in Tricon's Toronto office.

Prior to joining Tricon in 2007, Mr. Mode was an acquisitions analyst with DLJ Real Estate Capital Partners, the real estate private equity division of Credit Suisse Group, in Los Angeles, California and also worked with Haywood Securities Inc. as an investment banking analyst in Toronto. He is currently a member of the Community Development Council of the Urban Land Institute and also serves on the real estate committee for the MaRS Discovery District in Toronto.

Mr. Mode holds an Honours Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario, where he graduated with Distinction.

David Veneziano, Vice President & General Counsel

David Veneziano is responsible for managing all legal and governance matters relating to Tricon. Mr. Veneziano advises on legal issues relating to all aspects of the Company's investments and asset management, corporate structuring and finance, compliance and corporate governance. He is also Tricon's Corporate Secretary and its Chief Compliance Officer.

Prior to joining Tricon in 2014, Mr. Veneziano served as Vice President and General Counsel of Leisureworld Senior Care Corporation (now Sienna Senior Living), where he was responsible for all legal and governance matters relating to the company. Prior to joining Leisureworld, Mr. Veneziano practiced law at Goodmans LLP, where he advised a wide array of public and private enterprises in matters relating to tax, mergers and acquisitions, corporate finance, compliance and restructuring.

Mr. Veneziano is a graduate of the University of Toronto Law School and holds a Bachelor of Science (Honours) degree in Human Biology and Bioethics from the University of Toronto, where he graduated with High Distinction.

Adrian Rocca, Director

Adrian Rocca currently serves as the Head of Tricon Luxury Residences Canada and Tricon Lifestyle Communities. Mr. Rocca is responsible for overseeing the investment activities in these verticals, including transaction sourcing, investor reporting, and overall asset management. He also oversees the activities of Tricon Development Group, a development entity that acts as a principal developer for all of TLR's purpose-built rental buildings in Toronto.

Prior to joining Tricon in 2013, Mr. Rocca was a Director with AREA Property Partners (formerly Apollo Real Estate Advisors) in London, UK, and also worked with Credit Suisse First Boston as an investment banking associate in Toronto and London.

Mr. Rocca holds an Honours Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario, where he graduated with Distinction.

Jeremy Scheetz, Director

Jeremy Scheetz is responsible for sourcing and underwriting new Land and Homebuilding investments for Tricon and for managing existing investments within the THP portfolio.

Prior to joining Tricon in 2003, Mr. Scheetz worked as a senior account manager for HSBC Bank Canada where he was responsible for sourcing, underwriting and managing various residential construction loans in the homebuilding and condominium sectors. He is currently a member of the Community Development Council of the Urban Land Institute and previously served as a board member of The New Home Company, California-based home builder and land developer currently listed on the New York Stock Exchange.

Mr. Scheetz received a Master of Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario and an Honours Bachelor of Commerce degree from Queen's University.

Sandra Pereira, Vice President, Head of Tax Services

Sandra Pereira is responsible for the Company's global tax function, including strategy, planning, reporting, governance, and compliance tax matters. Ms. Pereira has over 20 years of experience in international tax, structured transactions, capital markets, and derivative products, acquisitions and divestitures.

Prior to joining Tricon in 2014, Ms. Pereira was a Tax Partner at the Toronto office of Deloitte Canada where she led the post-merger integration practice in Canada. She was responsible for advising global clients on operational tax issues such as improving tax governance, transforming the tax function, and optimizing the tax benefits of business synergies arising from strategic acquisitions. Ms. Pereira was previously a Tax Director at GE Capital Canada and, over her 15 years at GE, led numerous acquisitions and corporate initiatives. She is currently a Board member of the Trillium Health Partners Volunteer Board.

Ms. Pereira has a CPA, CA designation and holds a Bachelor of Commerce degree from the University of Toronto (gold medalist). She has completed the leadership training program at GE's John F. Welch Leadership Development Center in New York and was an Adjunct Professor at the University of Toronto Masters of Tax program.

Employees

As of December 31, 2015, Tricon had 46 employees at its offices in Toronto, Ontario and San Francisco, California. Tricon American Homes employs approximately 230 individuals, primarily located in California. Johnson Companies LP and its subsidiaries employ approximately 95 individuals.

RISK FACTORS

There are certain risks inherent in the Company's activities and those of its investees, including the ones described below, which may impact the Company's performance, the value of its investments and the value of its securities. The risks described below are not the only ones facing the Company and holders of Common Shares. Additional risks not currently known to us or that we currently consider to be immaterial may also affect our activities and those of our investees.

General Risks

The following risks may affect the Company as a whole and may be relevant to the activities of its investees across all of its investment verticals.

General Economic Conditions

The success of our business is highly dependent upon conditions in the Canadian and United States real estate markets (and in particular the residential sector) and economic conditions throughout North America that are outside our control and difficult to predict. Factors such as interest rates, housing prices, availability of credit, inflation rates, energy prices, economic uncertainty, changes in laws (including laws relating to taxation), trade barriers, currency exchange rates and controls, and national and international political circumstances (including wars, terrorist acts or security operations) could have a material negative impact on the value of our investments and our financial performance.

Unpredictable or unstable market conditions, adverse economic conditions, or volatility in the capital markets may result in reduced opportunities to find suitable risk-adjusted investments to deploy capital, may reduce the market value of our Assets Under Management, and may make it more difficult for the Company and its investment vehicles to exit and realize value from existing real estate investments, any of which could materially adversely affect our revenues, the value of our investments, and our ability to raise and deploy new capital and sustain our profitability and growth.

Real Estate Industry Conditions

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 ability to rent or sell residential properties, depress prices and reduce margins from the rental and sale of residential properties. Conversely, if property prices in target markets increase at a rate faster than rents, this could result in downward pressure on gross rental yields. Any of these factors could negatively impact the value of the Company's investments and its financial performance.

Builders, developers and renovators are also subject to risks related to the availability and cost of materials and labour, and adverse weather conditions that can cause delays in construction schedules and cost overruns. Furthermore, the market value of undeveloped land, buildable lots and housing inventories can fluctuate significantly as a result of changing economic and real estate market conditions and may result in impairment charges. If there are significant adverse changes in economic or real estate market conditions, residential properties may have to be sold at a loss, rented at less than expected rates, or held longer than planned. These circumstances can result in losses in a poorly performing investment or market. If market conditions deteriorate, some of the Company's investments may be subject to impairments and write-off charges adversely affecting the Company's financial results.

Portfolio Concentration

Although our investments span numerous markets across North America, real estate is a local business, and our revenues are directly and indirectly derived from investments in residential real estate located in our primary geographic markets. A prolonged downturn in the economies of these markets, or the impact that a downturn in the overall national economies of Canada or the United States may have upon these markets, could negatively impact the value of our investments and our financial performance.

Furthermore, because we primarily invest in residential real estate (as compared to a more diversified real estate portfolio), a decrease in demand specifically for residential real estate could adversely affect the value of our investments and our financial performance.

Competition

The real estate investment business is competitive and each segment of our business is subject to competition in varying degrees. We compete on the basis of a number of factors, including, but not limited to, the quality of our employees, transaction execution, innovation and reputation. We compete in pursuit of investor capital to be invested in our securities and investment vehicles and also in acquiring investments in attractive assets. Competition for investor capital, in particular, is intense and investors are increasingly seeking to manage their own assets or reduce their management fees. Further, our competitors may have certain competitive advantages, including greater financial, technical, marketing and other resources, more personnel, less onerous regulatory requirements or a lower cost of capital and access to funding sources or other resources that are not available to us. These pressures, or an increase in competition, could result in downward pressure on revenues which could, in turn, reduce operating margins and thereby reduce operating cash flows, investment returns and negatively affect our overall financial condition.

Furthermore, competition may affect the performance of investments in our investment verticals. Numerous developers, managers and owners of properties compete with the Company's investees in seeking attractive tenants and home purchasers. This competition could have an impact on the performance of the Company's investments. Furthermore, there is significant competition for suitable real property investments, with other investors seeking similar investments to those targeted by the Company and its investees. A number of these investors may have greater financial resources than those of the Company, or operate without the same investment or operating restrictions. An increase in competition for real property investments may increase purchase prices, diminish the number of suitable investments available, and reduce the ability to achieve optimal portfolio size or expected yields, which could impact the Company's investments and financial performance.

The residential homebuilding, renovation and rental industries are themselves highly competitive. Residential homebuilders, renovators and operators compete not only for homebuyers and/or tenants on the basis of price and product offering, but also for desirable properties, building materials, labour and capital. Competitive conditions in the industry could result in: difficulty in acquiring suitable properties at acceptable prices; increased selling or rental incentives; lower sales volumes and prices; higher vacancy, lower profit margins; impairments in the value of inventory and other assets; increased construction costs; and delays in construction These factors may negatively impact the Company's investments and financial performance.

Investment Pipeline

An important component of residential real estate investment performance is the ongoing availability of attractive investment opportunities. If we are not able to find sufficient residential real estate investments in a timely manner, our investment performance could be adversely affected. Furthermore, if we do not have sufficient investment opportunities, we may elect to limit our growth and reduce the rate at which we attract third-party capital, which could impact our Assets Under Management and revenues. Finally, a scarcity of desirable investment opportunities may lead us to make investments with lower expected returns than those we have historically targeted. Any of these factors could negatively impact our financial condition.

Long Investment Periods

The investment horizons in each of our principal investment verticals is relatively long (see "Description of the Business – Principal Investment Verticals"). These extended timelines increase the risk that circumstances will arise which delay investment realization, and that markets may deteriorate between the time of our initial investment and our exit. This may be the result of many factors that present themselves over the duration of an investment, including local and overall market and economic conditions, increasing competition over time, market value fluctuation and changing interest rates. Delays or market deterioration over time could have an adverse effect on the returns from our investments, our fee revenue, and our financial condition.

Liquidity Risk

Residential real estate investments generally cannot be sold quickly, particularly if local market conditions are poor. As a result, the Company and its investees may not be able to enter, exit or modify investments promptly in response to economic or other conditions. This inability to promptly reallocate capital or exit the market in a timely manner could adversely affect the Company's financial results and investment performance. Additionally, financial difficulties of other property owners resulting in distressed sales could depress real estate values in the markets in which we invest. These restrictions could reduce our ability to respond to changes in the performance of our investments and could adversely affect our financial condition and results.

Transaction Execution

Before making investments, we conduct extensive due diligence reviews that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Our due diligence process includes in-depth reference checks of developers, environmental audits, market analysis, site analysis, financial and construction cost analysis and legal review. When conducting due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, we rely on the resources available to us, including information provided by the developer or operating partner and, in some circumstances, third-party investigations. The due diligence investigation that we will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. Unknown factors or unforeseen risks may cause investment performance to fall short of expectation and may negatively impact the value of our investments and our financial performance.

Rising Interest Rates

Rising interest rates, decreased availability of mortgage financing or of certain mortgage programs, higher down payment requirements or increased monthly mortgage costs may increase the cost of capital for the Company and its investees, and may lead to reduced demand for new home sales and re-sales and mortgage loans, which could have a material adverse effect on the value of our investments, our investment prospects, liquidity and financial performance.

Sustaining Growth

Our continuing growth has caused, and if it continues will continue to cause, significant demands on our legal, accounting and operational infrastructure, and increased expenses. In addition, we are required to continuously develop our systems and infrastructure in response to the increasing sophistication of the residential real estate investment industry, the investment management market, and legal, accounting and regulatory developments.

Our future growth will depend, among other things, on our ability to maintain an operating platform and management systems sufficient to address our growth and will require us to incur additional expenses and to commit additional senior management and operational resources. There can be no assurance that we will be able to manage our expanding operations effectively or that we will be able to continue to grow, and any failure to do so could adversely affect our ability to generate revenue and control our expenses.

Insurance

We have various types of insurance, including errors and omissions insurance and general commercial liability insurance. Also, relevant insurance is arranged through our investment verticals in order to protect the value of the underlying investments. The adequacy of insurance coverage is evaluated on an ongoing basis, including the cost relative to the benefits. However, there can be no assurance that potential claims or losses will not exceed the limits, or fall outside the scope, of available insurance coverage or that any claim or claims will be ultimately satisfied by an insurer. A loss or judgment in excess of available insurance or in respect of which insurance is not available could have a material adverse effect on our financial condition and the value of our investments. There can be no assurance that insurance coverage on favourable economic terms will continue to be available in the future.

Environmental Risk

Underlying all of our activities is investment in real property that is subject to various Canadian and United States federal, provincial, state and municipal laws relating to environmental matters. These laws could hold developers or property owners liable for the costs of removal and remediation of certain hazardous substances or wastes released or deposited on properties or disposed of at other locations. The failure to remove or remediate such substances, if any, could adversely affect the developer's or owner's ability to sell the properties or to borrow using real estate as collateral, and could potentially result in claims or other proceedings. We are not aware of any material non-compliance with environmental laws in respect of our investments or by the developers in which our investment vehicles invest. We are also not aware of any material pending or threatened investigations or actions by environmental regulatory authorities, or any material pending or threatened claims relating to environmental conditions, in connection with any of the residential real estate in which we or our investment vehicles invest. Environmental laws and regulations can change rapidly and may impose more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on a developer or a particular development project or our own investments, which, in turn, could have an adverse effect on our financial condition and investment performance.

Conflicts of Interest

Some of the parties in which and with which we currently invest may have competing interests in the markets in which Tricon invests. While the Company takes precautions and negotiates contractual restrictions in definitive legal documentation in order to avoid such conflicts, conflicts of interest may nonetheless arise and may have an adverse effect on the Company's financial performance and the value of our investments.

Certain of the directors and officers of the Company may also serve as directors and/or officers of other companies and consequently the possibility exists for such directors and officers to be in a position of conflict. Any decision made by any such director or officer involving the Company is to be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company, but there can be no assurance that a conflict of interest will not have an adverse effect on the Company or its financial condition.

Management Team

Our executive officers and other senior management have a significant role in our success and oversee the execution of our strategy. Our continued ability to respond promptly to opportunities and challenges as they arise depends on co-operation across our organization and our team-oriented management structure, which benefits greatly from management continuity. Our ability to retain our management group or attract suitable replacements, should any members of the management group leave, is dependent on, among other things, the competitive nature of the employment market and the career opportunities that we can offer. Ensuring that we continue to pay market compensation in order to retain key professionals may lead to increasing costs. We have experienced departures of key professionals in the past and may do so in the future, and we cannot predict the impact that any such departures will have on our ability to achieve our objectives. Competition for the best people is intense and the loss of services from key members of the management group or a limitation in their availability could adversely impact our financial performance. Furthermore, such a loss could be negatively perceived in the capital markets.

Government Regulation

The Company's activities and those of its investees are subject to numerous regulations across various jurisdictions in North America. Changes in legislation and regulation could result in increased costs and increased risk of non-compliance which could adversely affect the Company's financial condition and value of investments.

Certain jurisdictions have enacted residential tenancy legislation which imposes, among other things, rent control guidelines that limit the ability to raise rental rates at residential properties. In addition to limiting the ability to raise rental rates, residential tenancy legislation in some jurisdictions prescribes certain limitations on terminations of residential tenancies. While exposure to such jurisdictions is expected to be very minimal, any limits on TAH's or TLC's (and, as its portfolio stabilizes, TLR's) ability to raise rental rates at their properties, or to terminate defaulting tenancies, may adversely affect their financial performance.

Acquisitions and development projects undertaken by the Company's investees may require zoning and other approvals from local government agencies. The process of obtaining such approvals may take months or years, and there can be no assurance that the necessary approvals for any particular project will be obtained. Holding costs accrue while regulatory approvals are being sought, and delays could negatively impact investment performance.

Construction Industry Risks

The success of our investments and the successful performance of our investment vehicles is very often dependent on stability in the construction industry. This industry has from time to time experienced significant difficulties in the supply of materials and services, including with respect to: shortages of qualified trades people; labour disputes; shortages of building materials; unforeseen environmental and engineering problems; and increases in the cost of certain materials. When any of these difficulties occur, it may cause delays and increase anticipated costs, which could adversely affect the Company's investment performance and financial condition.

Taxation Risks

We endeavour to structure our investments and activities to be efficient under the prevailing U.S. and Canadian tax framework. Any change in tax legislation or policy (including in relation to taxation rates) could adversely affect the after-tax return we can earn on our investments and activities, capital available for investment (including from our institutional investors), and the willingness of investors to acquire our securities or invest in our investment vehicles. A number of other factors may increase our effective tax rates, which would have a negative impact on our net income. These include, but are not limited to, changes in the valuation of our deferred tax assets and liabilities, and any reassessment of taxes by a taxation authority.

Furthermore, tax changes could impact the efficiency of the activities of our investees (for example, the tax efficiency of TAH's operations) and could also impact the overall economic conditions relevant to the success of those activities. For example, in the United States, significant expenses of owning a home, including mortgage interest expense, are generally deductible for tax purposes (subject to various limitations). A change in tax law to eliminate or modify these benefits may increase the after-tax cost of owning a new home, which could adversely impact housing demand and/or sales prices. The impact of any tax changes on the activities of our investees could negatively impact the value of our investments and our financial performance.

Risks Related to Principal Investments

In addition to the general risks described above, the following risks are inherent in our Principal Investments. Many of these risks relate specifically to the activities of our investees and could have an impact on the value of the Company's investments and our financial condition.

Risks Related to Tricon Housing Partners

Operational and Credit Risks

On a strategic and selective basis, our private investment vehicles provide financing to develop properties. The residential real estate development business involves significant risks that could adversely affect THP performance, including: the developer may not be able to complete construction on schedule or within budget, resulting in increased debt service expense and construction costs and delays in selling the properties; the developer may not be able to obtain, or may experience delays in obtaining, all necessary zoning, land-use, building, occupancy and other governmental permits and authorizations for the properties; the developer may not be able to sell properties on favourable terms or at all; construction costs, total investment amounts and THP's share of remaining funding may exceed our estimates and projects may not be completed and delivered as planned.

THP investments are made through the financing of local developers, and, consequently, we rely to a great extent on those developers to successfully manage their development projects. Investments in partnerships, joint ventures or other entities may involve risks not present were a third party not involved, including the possibility that the development partners might become bankrupt or otherwise fail to fund their share of required capital contributions. Additionally, the development partners might at any time have economic or other business interests or goals which are inconsistent with our business interests or goals. In addition, we do not have sole control of certain important decisions relating to these development properties, including decisions relating to: the sale of the development properties; refinancing; timing and amount of distributions of cash from such development properties; and capital improvements. Any of these factors could negatively impact the value of our investments and financial condition.

The above risks are also relevant to Tricon Luxury Residences.

Risks Related to Tricon American Homes and Tricon Lifestyle Communities

Lease Renewal and Turnover Risk

If a tenant decides to vacate a rental property, whether as a result of deciding not to renew their lease or by vacating prior to the expiry of the lease, TAH or TLC may not be able to re-let that property in a short amount of time or at all. Additionally, even if they are successful in renewing a lease or re-letting a property, the terms of the renewal or re-letting may be less favourable than the original terms.

The ability to rent residential properties will be affected by many factors, including changes in general economic conditions (such as the availability and cost of mortgage funds, vacancy rates, the availability of suitable potential tenants and the job market for prospective tenants), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, changing demographics or social preferences, competition from other available properties, and various other factors.

If TAH or TLC are unable to promptly renew leases or re-let properties, or if the rental rates upon renewal or re-letting are significantly lower than expected rates, their financial performance may be negatively impacted, which may adversely affect the value of the Company's investments and financial performance.

Furthermore, if a significant number of tenants are unable to meet their obligations under their leases or if a significant number of properties becomes vacant and cannot be re-leased on economically favourable terms, the TAH and TLC properties may not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures.

The above risks will be relevant to Tricon Luxury Residences as its portfolio stabilizes.

Substitutions for Rental Properties

Demand for rental properties is impacted by and inversely related to the relative cost of home ownership. The cost of home ownership depends upon, among other things, interest rates offered by financial institutions on mortgages and similar home financing transactions. Currently, such rates are at or near historically low levels. If the interest rates offered by financial institutions for home ownership financing remain low or fail to rise, demand for TAH properties may be adversely affected.

An economic downturn may also impact the job markets and the ability of tenants to afford the rents associated with certain rental properties, which may result in increased demand for lower cost rental options. Such a reduction in demand may have an adverse effect on TAH's revenues.

The above risks will be relevant to Tricon Luxury Residences as its portfolio stabilizes.

Title Risk

TAH's acquisition of homes is often completed through a title company with an owner's title insurance policy being obtained. However, U.S. distressed single-family homes are often acquired through trustee auctions. Although TAH conducts due diligence and employs a title company to review title on target housing assets prior to purchasing such homes, title on the homes purchased through foreclosure sales and auctions is occasionally only assumed weeks after the purchase. Furthermore, an owner's title insurance policy is not available to protect against the inherent title risk arising through the foreclosure auction process. In the event that TAH fails to independently and properly assess a title risk or fails to assume one or more homes because of such failed analysis, it may not achieve its expected returns or yields relating to such investment.

Government Subsidies

Some of TAH's rental income is derived from government subsidized rental support programs, such as the Section 8 program operated by the U.S. Department of Housing and Urban Development. A reduction or elimination of government funding of such programs could result in higher rental turnover and downward pressure on rental rates, which could negatively impact TAH's financial performance.

MHC Tenant Financing

Tenants of manufactured housing communities typically own the manufactured home affixed to the pad that they lease from the MHC owner. The lack of "chattel financing" for tenants to acquire manufactured homes, or the terms of such chattel financing offered by lending entities, may negatively impact tenants' and prospective tenants' ability to own manufactured homes and may therefore have a negative impact on demand for pads in TLC's portfolio, which could in turn have an adverse effect on TLC's financial performance.

Reliance on Cobblestone

TLC investments involve the acquisition of properties through its joint venture with Cobblestone, which is an operating partner that has expertise in TLC's target markets. The Company's investments in Tricon Lifestyle Communities therefore involve risks, including, but not limited to, the possibility that Cobblestone may have business or economic goals which are inconsistent with those of TLC, that Cobblestone may be in a position to take action or withhold consent contrary to TLC's instructions or requests, and that TLC may be responsible to Cobblestone for indemnifiable losses. In some instances, Cobblestone may have competing interests in TLC's target markets that could create conflicts of interest. Further, Cobblestone may experience financial distress, including bankruptcy or insolvency, and TLC's performance could be adversely affected to the extent Cobblestone cannot meet its obligations.

Defaults or poor performance by Cobblestone could also result in disruptions to operations and other negative impacts on the value of TLC's portfolio that may adversely affect the Company's financial results in connection with Tricon Lifestyle Communities.

<u>Risks Related to Tricon Luxury Residences</u>

Guarantees of Project Debt

The Company may agree to provide financial assistance to the TLR project entities in which it invests. Such financial assistance may include the provision of payment guarantees to a project entity's lenders of acquisition financing, construction debt or long-term financing, and the provision of construction completion guarantees. Such guarantees may be joint or several with other partners in a particular investment. The Company's and its partners' guarantees of project-level obligations may not be in proportion to their respective investments in the project entity. The provision of such guarantees may reduce the Company's capacity to borrow funds under its separate credit facilities which may impact its ability to finance its operations. If such guarantees are called upon for payment or performance, they may have a negative impact on the Company's cash position and financial performance. If the Company provides a joint guarantee with an investment partner, a default by the partner in its payment or performance obligation under the guarantee could cause the Company to pay a disproportionate amount in satisfaction of the guarantee, which may have a negative impact on the Company's cash position and financial performance.

Risks Relating to Private Funds and Advisory

In addition to the general risks described above, the following risks are inherent in our Private Funds and Advisory business.

Formation of Future Investment Vehicles

The ability to raise capital for any future investment vehicles remains subject to various conditions which Tricon cannot control, including the negotiation and execution of definitive legal documentation and commitments made by third-party investors. There can be no assurance that any capital will be raised through future investment vehicles or that any future warehoused investments of the Company will be acquired by any other future vehicles. A failure to raise sufficient capital through other investment vehicles could result in lower Assets Under Management and impair our future revenues and growth.

Structure of Future Investment Vehicles

There can be no assurance that the manner in which Contractual Fees, General Partner Distributions, Performance Fees, and/or investment income are calculated in respect of future investment vehicles will be the same as the Active Funds, including with respect to the treatment of the Company's principal investments in such vehicles through Tricon Housing Partners. Any such changes could result in the Company earning less Contractual Fees, General Partner Distributions and/or Performance Fees from the same Assets Under Management as compared to the Active Funds and could expose the Company's principal investment in such future investment vehicles to increased risk, including, but not limited to, the risk of reduced investment income (at comparable investment performance levels) and the increased risk of loss of capital of the Company.

Ongoing Investment Performance

We believe that our ongoing investment performance is one of the most important factors for the success and growth of Private Funds and Advisory activities. Poor investment performance could impair our ability to raise future private capital which could result in lower Assets Under Management and could impact our ability to earn Contractual Fees. In addition, our ability to earn Performance Fees is directly related to our investment performance and therefore poor investment performance may cause us to earn less or no Performance Fees.

Investment Vehicle Governance

The limited partnership agreements for certain Active Funds provide that the general partner or manager of the investment vehicle may be removed by the limited partners in certain prescribed circumstances, including in some cases (and with the approval of a prescribed number of limited partners), without cause. These agreements may not provide for termination payments to the general partner or manager in the event of removal without cause. The removal of the general partner or the manager of an Active Fund prior to the termination of such investment vehicle could materially adversely affect the reputation of Tricon, lower Assets Under Management and, as a result, reduce our Contractual Fees and Performance Fees.

Capital Commitment

The third-party investors in Tricon's investment vehicles comprise a relatively small group of reputable, primarily institutional, investors. To date, each of these investors has met its commitments on called capital and we have received no indications that any investor will be unable to meet its capital commitments in the future. While our experience with our investors suggests that commitments will be honoured, and notwithstanding the adverse consequences to a defaulting investor under the terms of the applicable investment vehicle, no assurances can be given that an investor will meet its entire commitment over the life of an investment vehicle. A failure by one or more investors to satisfy a drawdown request could impair an investment vehicle's ability to fully finance its investment, which could have a material adverse effect on the performance and value of that investment, which in turn could negatively impact the Company's financial condition.

Risks Related to a Public Company and Common Shares

Stock Exchange Prices

The market price of our Common Shares could fluctuate significantly as a result of many factors, including the following:

- economic and stock market conditions generally and specifically as they may impact participants in the real estate industry;
- our earnings and results of operations and other developments affecting our business;
- changes in financial estimates and recommendations by securities analysts following our Common Shares;
- earnings and other announcements by, and changes in market evaluations of, participants in the real estate industry;
- changes in business or regulatory conditions affecting participants in the real estate industry;
- addition or departure of the Company's executive officers and other key personnel;
- sales or perceived sales of additional Common Shares; and
- trading volume of the Common Shares.

In addition, the financial markets may experience significant price and volume fluctuations that affect the market prices of equity securities of companies and that are unrelated to the operating performance, underlying asset value or prospects of such companies. Accordingly, the market price of our Common Shares may decline even if our operating results or prospects have not changed. The value of the Common Shares is also subject to market fluctuations based upon factors which influence the Company's operations, such as legislative or regulatory developments, competition, technological change and global capital market activity. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares.

Additional Capital

The Company's ability to carry on its business generally, and in particular to take advantage of investment opportunities, may require it to raise additional capital. Additional capital may be sought through public or private debt or equity financings by Tricon or another Tricon entity and may result in dilution to or otherwise may have a negative effect on existing Tricon shareholders. Further, there can be no assurances that additional financing will be available to Tricon when required or desired by Tricon, on advantageous terms or at all, which may adversely affect Tricon's ability to carry on its business.

Additional Indebtedness

The degree to which the Company is leveraged could have important consequences to the Company, including: (i) the Company's future ability to obtain additional financing for working capital, capital expenditures or other purposes may be limited; (ii) the Company may be unable to refinance indebtedness on terms acceptable to the Company or at all; (iii) a significant portion of the Company's cash flow (on a consolidated basis) could be dedicated to the payment of the principal of and interest on its indebtedness, thereby reducing funds available for future operations, capital expenditures and/or dividends on its Common Shares; and (iv) the Company may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures.

Dividends

Holders of Common Shares do not have a right to dividends on such shares unless declared by the Board of Directors. Although the Board has established a dividend policy authorizing the declaration and payment of dividends to holders of Common Shares on a quarterly basis, the declaration of dividends is at the discretion of the Board of Directors even if the Company has sufficient funds, net of its liabilities, to pay such dividends.

The Company may not declare or pay a dividend if there are reasonable grounds to believe that (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realizable value of the Company's assets would thereby be less than the aggregate quantum of its liabilities. Liabilities of the Company will include those arising in the ordinary course of business and indebtedness.

Future Sales and Dilution

The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders have no pre-emptive rights in connection with such further issuances. The Board has the discretion to determine the price and the terms of issue of further issuances of Common Shares and securities convertible into Common Shares. Any future issuances of Common Shares could be dilutive to shareholder's interests at the time of issuance.

Holding Company

Tricon Capital Group Inc. is a holding company and a substantial portion of its assets are the equity interests in its subsidiaries. As a result, investors are subject to the risks attributable to its subsidiaries. As a holding company, the Company conducts substantially all of its business and makes its investments through its subsidiaries, which generate substantially all of its revenues. Consequently, the Company's performance and growth are dependent on the earnings of its subsidiaries and the distribution of those earnings to the Company. The ability of these entities to pay distributions will depend on their operating results and may be subject to applicable laws and regulations and to contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of the Company's subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Company.

Financial Reporting and Other Public Company Requirements

The Company is subject to reporting and other obligations under applicable Canadian securities laws and Toronto Stock Exchange rules, including National Instrument 52-109 — *Certification of Disclosure in Issuers' Annual and Interim Filings*. These reporting and other obligations place significant demands on Tricon's management, administrative, operational and accounting resources. Moreover, any failure to maintain effective internal controls could cause the Company to fail to meet its reporting obligations or result in material misstatements in its consolidated financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed, which could also cause investors to lose confidence in the Company's reported financial information, which could result in a lower trading price of its Common Shares.

Management does not expect that Tricon's disclosure controls and procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that its objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected in a timely manner or at all.

DIVIDENDS

All dividends are subject to declaration by Tricon's Board of Directors. The Company expects that, to the extent permitted under applicable laws, the Board will declare, and the Company will pay quarterly dividends on its Common Shares in the aggregate annual amount of C$0.26 per share. The Board re-evaluates its dividend policy from time to time and in March 2016 increased the annual dividend payable under the dividend policy from C$0.24 to C$0.26 per Common Share. The payment of dividends is not guaranteed, however, and the amount and timing of any dividends payable by the Company will be at the discretion of the Board of Directors and will be established on the basis of a number of factors, including but not limited to: Tricon's earnings, financial requirements for the Company's operations, the satisfaction of solvency tests imposed by applicable corporate law for the declaration and payment of dividends and the satisfaction of regulatory capital requirements.

The table below sets out the amount of cash dividends paid by the Company in each of the three most recently completed fiscal years.

Year Ended	Cash Dividend per Common Share (C$)
2013	$0.24
2014	$0.24
2015	$0.24

DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of Common Shares. As at December 31, 2015, the Company had outstanding 112,037,851 Common Shares and C$85,731,000 in aggregate principal amount of convertible unsecured subordinated debentures which, in the aggregate, are convertible into 8,748,061 Common Shares.

Common Shares

Holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company, except meetings of holders of another class of shares. Each Common Share entitles the holder thereof to one vote.

Subject to the preferences accorded to holders of any other shares of the Company ranking senior to the Common Shares from time to time with respect to the payment of dividends, holders of Common Shares are entitled to receive, if, as and when declared by the Board, such dividends as may be declared thereon by the Board from time to time in equal amounts per share on the Common Shares at the time outstanding, without preference or priority.

In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Company, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs (a "Distribution"), holders of Common Shares are entitled, after payment of debts and other liabilities, in each case subject to the preferences accorded to the holders of any other shares of the Company ranking senior to the Common Shares from time to time with respect to payment on a Distribution, to share equally, share for share, in the remaining property of the Company.

Convertible Debentures

2020 Debentures

On February 25, 2013, Tricon issued C$86.0 million aggregate principal amount of 5.60% convertible unsecured subordinated debentures due March 31, 2020, and convertible into Common Shares at a conversion price of C$9.80 per Common Share (the "**2020 Debentures**"). The 2020 Debentures bear interest at 5.60% per annum, which is payable semi-annually in arrears in March and September, and were issued pursuant to a trust indenture dated as of February 25, 2013 between Tricon and Equity Financial Trust Company (the "**2020 Convertible Debenture Indenture**").

The 2020 Debentures may not be redeemed by the Company prior to March 31, 2016, except in the event of the satisfaction of certain conditions after a change of control has occurred. On or after March 31, 2016 and prior to March 31, 2018, the 2020 Debentures may be redeemed by the Company in whole or in part from time to time, on not more than 60 days' and not less than 30 days' prior notice, at a price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume-weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day immediately preceding the date on which notice of redemption is given is not less than 125% of the conversion price. On or after March 31, 2018, the 2020 Debentures may be redeemed by the Company in whole or in part and from time to time, on not more than 60 days' and not less than 30 days' prior notice, at a price equal to the principal amount thereof plus accrued and unpaid interest.

2017 Debentures

On November 30, 2015, the Company completed the redemption of its then-outstanding 6.375% convertible unsecured subordinated debentures due August 31, 2017 (the "**2017 Debentures**"). The 2017 Debentures, which were convertible into Common Shares at a conversion price of C$6.00 per Common Share, bore interest at 6.375% per annum.

The aggregate outstanding principal amount of the 2017 Debentures was C$49,748,000 on the date Tricon announced its intention to complete their redemption. Pursuant to the conversion option available to holders of the 2017 Debentures, an aggregate of 8,200,163 Common Shares were issued in relation to conversion requests received by Tricon between the date of its redemption announcement and the redemption of the 2017 Debentures. The remaining balance of the outstanding principal amount of the 2017 Debentures was redeemed for an aggregate of 55,308 Common Shares.

The 2017 Debentures have been delisted from the Toronto Stock Exchange.

Ratings

The pass-through certificates representing an interest in TAH's Securitized Loan (the "**Certificates**"), described above under "Description of the Business – General Development of the Business – Tricon American Homes" have been assigned the following ratings by Kroll Bond Rating Agency, Inc. ("**KBRA**"), Moody's Investors Service Inc. ("**Moody's**") and Morningstar Credit Ratings, LLC ("**Morningstar**" and, collectively with KBRA and Moody's, the "**Rating Agencies**", and each a "**Rating Agency**"):

Class of Certificates	Rating (KBRA/Moody's/Morningstar)
Class A	AAA(sf)/Aaa(sf)/AAA
Class B	AA(sf)/Aa2(sf)/AA
Class C	A-(sf)/A2(sf)/A
Class D	BBB+(sf)/Baa2(sf)/BBB+
Class E	BBB-(sf)/NR/BBB-
Class F	NR/NR/BB

The ratings address the likelihood of the timely receipt by certificateholders of interest and principal. The ratings take into consideration the credit quality of the underlying single-family rental homes and the Securitized Loan, structural and legal aspects associated with the Certificates, and the extent to which the payment stream of the Securitized Loan is adequate to make payments required under the Certificates.

The ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by any Rating Agency. In addition, these ratings do not address: (a) the likelihood, timing, or frequency of prepayments (both voluntary and involuntary) and their impact on interest payments, (b) the possibility that a certificateholder might suffer a lower than anticipated yield, (c) the likelihood of receipt of spread maintenance premiums or default interest, (d) the likelihood of experiencing prepayment interest shortfalls or of receiving compensating interest payments, (e) the tax treatment of the Certificates or effect of taxes on the payments received, (f) the likelihood or willingness of the parties to the respective documents to meet their contractual obligations, or (g) other non-credit risks.

The following information relating to the credit rating methodology of each Rating Agency is based on information made available to the public by the Rating Agencies.

Morningstar uses a set of letter ratings ranging from AAA to D to express its opinion of the credit quality of an obligor or security, based on its policies and procedures. Morningstar also provides finer gradations of the ratings ranging from AA to CCC by adding a plus (+) or minus (-) sign to indicate relative strength within the rating categories.

Moody's uses a set of letter ratings ranging from Aaa to C to express its opinion of the relative credit risks of financial obligations, based on its policies and procedures. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Moody's appends an "(sf)" indicator to ratings assigned to structured finance obligations.

KBRA uses a set of letter ratings ranging from AAA to D to express its opinion of the relative credit risks of financial obligations, based on its policies and procedures. KBRA may also provides finer gradations of the ratings ranging from AA to CCC by adding a plus (+) or minus (-) sign to indicate relative strength within the rating categories. KBRA appends an "(sf)" indicator to ratings assigned to structured finance obligations.

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan ("**DRIP**") dated November 15, 2012 provides eligible holders of Common Shares with the opportunity to reinvest their cash dividends paid on the Common Shares to purchase additional Common Shares at a price equal to the Average Market Price (as defined in the DRIP) on the applicable dividend payment date, less an applicable discount. The Common Shares acquired under the DRIP will, at the discretion of the Company, either be purchased through the facilities of the TSX or issued by the Corporation from treasury. Details on the DRIP are available on the Company's website at www.triconcapital.com.

Normal Course Issuer Bid

On October 6, 2015, the TSX approved the Company's notice of intention to make a normal course issuer bid ("**NCIB**") for a portion of its Common Shares. Under the NCIB, the Company may repurchase for cancellation up to a maximum of 10,421,165 Common Shares, being 10% of the Company's public float, in the 12-month period commencing October 8, 2015 and ending on October 7, 2016. Daily purchases under the NCIB are limited to 88,206 Common Shares, other than purchases made pursuant to block purchase exemptions. Any Common Shares purchased under the NCIB will be cancelled. Shareholders may obtain at no cost a copy of the Company's notice of intention to make a normal course issuer bid which was filed with the TSX by contacting the Company at the address provided under "Corporate Structure – Name, Address and Information" above.

Shareholder Rights Plan

The Company has in place a Rights Plan, ratified by the Company's shareholders on May 14, 2013. The Rights Plan is intended to ensure that a person seeking to acquire control of Tricon gives shareholders and the Board of Directors sufficient time to evaluate a potential bid, negotiate with the initial bidder and encourage competing bids to merge. The Rights Plan protects shareholders by requiring all potential bidders to comply with certain "Permitted Bid" conditions, or else such bidders will be subject to the dilutive features of the Rights Plan. A more detailed summary, as well as the full text, of the Rights Plan are included in the Company's Management Information Circular, dated April 16, 2013 and available at www.sedar.com.

MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX under the trading symbol "TCN". The high and low trading prices (in Canadian dollars) and total volume traded of the Common Shares on the TSX for each month of the most recently completed financial year are set out below.

Month	High (C$)	Low (C$)	Volume
January	9.73	8.47	4,766,693
February	10.28	9.62	4,757,297
March	11.40	9.26	7,837,428
April	11.97	10.87	6,689,081
May	11.15	10.23	5,572,662
June	11.23	10.06	5,112,421
July	12.11	10.92	5,502,830
August	11.92	9.66	8,081,368
September	11.58	9.81	13,527,467
October	11.09	10.13	5,669,353
November	10.99	9.51	5,994,743
December	9.94	9.04	7,745,249

The 2020 Debentures (described under "Description of Capital Structure – Convertible Debentures") are listed and posted for trading on the TSX under the trading symbol "TCN.DB.A". The high and low trading prices (in Canadian dollars) per C$100 principal amount of debentures and total volume traded of the 2020 Debentures on the TSX for each month of the most recently completed financial year are set out below.

Month	High (C$)	Low (C$)	Volume
January	114.25	106.12	1,439,000
February	117.00	112.50	1,700,000
March	125.00	111.85	4,324,000
April	129.95	123.00	3,594,000
May	123.50	110.00	3,245,500
June	122.10	117.33	935,000
July	130.50	120.00	2,912,000
August	128.14	118.00	1,657,000
September	125.43	115.49	1,272,000
October	121.00	118.00	783,000
November	121.43	112.87	2,587,670
December	116.00	110.72	616,000

ESCROW OF SECURITIES

No Common Shares are in escrow at December 31, 2015.

DIRECTORS AND OFFICERS

The Company's Board of Directors is comprised of seven directors, four of whom are independent in accordance with the meaning given to such term in National Policy 58-201 — *Corporate Governance Guidelines*. The by-laws of the Company require that all directors stand for re-election on an annual basis at a meeting of shareholders.

Three of the seven directors have served since the initial public offering of Tricon's Common Shares in May 2010. Michael Knowlton was first elected to the Board on May 18, 2011. Peter Sacks and Gary Berman were first elected to the Board on May 21, 2014. Siân Matthews was elected to the Board on May 20, 2015. The term of office for each director expires at the end of the next annual meeting of shareholders, currently scheduled for May 25, 2016, unless re-elected.

Except as described in their biographies below or above under the heading "Description of the Business – Senior Management Team", none of the directors are currently directors of other issuers that are also reporting issuers (or the equivalent) in a territory of Canada or in a foreign territory.

The following table lists the directors and executive officers of Tricon as of the date hereof, their municipality of residence, position with the Company and current principal occupation, if different than the position held with the Company. The principal occupations of the directors and executive officers during the past 5 years are included in their biographies below and under the heading "Description of the Business – Senior Management Team".

Name and Municipality of Residence	Position With The Company	Current Principal Occupation (If Different Than Position Held)
David Berman Toronto, Ontario	Executive Chairman	___
Eric Duff Scott (2) Toronto, Ontario	Lead Director	Corporate Director
Michael Knowlton (1)(2) Whistler, British Columbia	Director	Corporate Director
Peter Sacks (1)(2) Toronto, Ontario	Director	Corporate Director
Sian Matthews (1) Calgary, Alberta	Director	Consultant and Corporate Director
Geoffrey Matus Toronto, Ontario	Co-Founder and Director	Consultant and Corporate Director
Gary Berman Toronto, Ontario	Director, President and Chief Executive Officer	___
Wissam Francis Toronto, Ontario	Chief Financial Officer	___
Doug Quesnel Toronto, Ontario	Chief Accounting Officer	___
Jonathan Ellenzweig Larkspur, California, USA	Managing Director	___
Craig Mode Toronto, Ontario	Managing Director	___
David Veneziano Toronto, Ontario	Vice President, General Counsel & Corporate Secretary	___

1. Member of Audit Committee.
2. Member of Compensation, Nominating and Corporate Governance Committee of the Board.

The directors and executive officers of the Company, as a group, directly or indirectly, beneficially own, or control or direct 5,783,055 Common Shares of the Company, representing approximately 5.2% of the total issued and outstanding Common Shares, as of December 31, 2015.

The following is a brief biographical description of the directors of the Company other than David Berman Geoff Matus, and Gary Berman. Biographies of Messrs. Berman, Matus and Berman and the other executive officers of the Company are included above under "Description of the Business – Senior Management Team".

Eric Duff Scott (Ontario, Canada) is the Lead Director and the Chair of the Compensation, Nominating and Corporate Governance Committee of the Board.

Duff Scott served as Chairman of the TSX from 1987 to 1989, Deputy Chairman of Merrill Lynch Canada from 1983 to 1987, Chairman of Prudential Bache Securities Canada from 1987 to 1990 and as a member of the Altamira Advisory Council from 1992 until 2002.

Mr. Scott has served on the boards of over 20 public companies, including Aberdeen Asia-Pacific Income Investment Company Limited, AT&T Canada, Gentra Inc., Markborough Properties Ltd., Acantus Real Estate Corp., Bramalea Inc. and QLT Inc. As part of his role as a board member he served or acted as chairman of many audit committees, compensation committees and corporate governance committees. He currently serves on the board of directors of The Becker Milk Company Limited (TSX:BEK).

J. Michael Knowlton (British Columbia, Canada) is a Director of the Company and Chair of the Audit Committee.

Michael Knowlton retired from Dundee Realty Corporation in 2011 where he held the position of President and COO of Dundee Real Estate Investment Trust. He joined Dundee Realty in 1998, holding various positions with Dundee Realty and Dundee Real Estate Investment Trust including Executive Vice President and COO, Executive Vice President and CFO and Managing Director Limited Partnerships, before becoming President of the REIT in 2006. Prior to that, he worked at OMERS Realty Corp. from 1990 until 1998 as Senior Vice President and CFO.

He currently serves as a trustee on the board of trustees for Crombie Real Estate Investment Trust (TSX:CRR.UN) and is a former member of the board of trustees for True North Apartment Real Estate Investment Trust and Northwest Healthcare Properties Real Estate Investment Trust. In addition, Mr. Knowlton serves on the board of directors of Balboa Investments Inc., a private company.

Mr. Knowlton holds Bachelor of Science (Engineering) and Master of Business Administration degrees from Queen's University in Kingston, Ontario. He is a Chartered Accountant and holds an ICD.D designation.

Peter D. Sacks (Ontario, Canada) is a Director of the Company.

Peter Sacks is the founding partner of Toron AMI International Asset Management. He established its predecessor company – Toron Investment Management – in 1988, following an extensive career in banking where he held executive positions in Treasury Management with CIBC, Chase Manhattan Bank Canada and Midland Bank Canada.

Peter Sacks is an independent director of several U.S. publicly traded closed-end and open-end funds managed by Aberdeen Asset Management Plc. In Canada he is a board member of Toron AMI International Asset Management. His past directorships include Kinross Mortgage Corporation Ltd., CIBC Trust Company Ltd., CIBC Limited, and Horizons BetaPro ETF's. He also served on the Investment Advisory Committee of the Ontario Public Guardian & Trustee and as Chairman of the Independent Review Committee of Children's Education Funds Inc. His community service has included directorships in Young People's Theatre and Friends of NOAH Canada.

Siân Matthews (Alberta, Canada) is a Director of the Company.

Ms. Matthews is a corporate director and legal consultant, specializing in matters of tax, private client work and corporate governance. Until 2009, Ms. Matthews was a partner and head of the Private Services Group at Bennett Jones LLP, and she began her legal career at Macleod Dixon LLP in Calgary.

She is currently the Chairperson of Canada Post Corporation, where she has been a director since 2007, and is Chair of the Strategic Initiatives Oversight Committee, a member and the past Chair of the Corporate Social Responsibility and Environmental Risks Committee, and a member of the Audit Committee, Governance Committee, Human Resources Committee and Pension Committee.

Ms. Matthews is also a director of The Calgary Foundation, a director of the Southern Alberta Opera Association, a past director and Chair of the Governance Committee of the Calgary Municipal Lands Corporation, a past director and Chair of the Governance Committee of the Heritage Park Society, and a past director of the Calgary Opera Association.

Ms. Matthews has nationally-recognized legal expertise in the areas of taxation and governance, and has been distinguished by her peers by inclusion on the Best Lawyers in Canada and the Lexpert Leading Practitioners lists. She is a member of the Law Society of Alberta, holds a Bachelor of Arts degree from the University of Waterloo, a Juris Doctor degree from the University of Ottawa, and an ICD.D designation.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the directors or executive officers or proposed directors of the Company is, as at the date of this Annual Information Form, or has been within the ten years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any person or company (including the Company) that was subject to one of the following orders, that was in effect for a period of more than 30 consecutive days:

(a) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued while the director or executive officer was acting in the capacity as director or executive officer; or

(b) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer of chief financial officer.

Other than as described below, none of the directors or executive officers of the Company, or shareholders holding a sufficient number of securities of the Company to affect materially its control:

(a) is, as at the date of this Annual Information Form, or has been within the ten years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer of the shareholder; or

(c) has had imposed any penalties or sanctions by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security regulatory authority or has had imposed any penalties or sanctions by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Geoffrey Matus was formerly the Chairman of Biltrite Rubber (1984) Inc. and Biltrite Rubber Inc. (collectively, "**Biltrite**"). Biltrite applied for protection under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**"), and was granted such protection on March 12, 2009. On September 16, 2009, following the completion of the sales process for Biltrite's business and assets, the CCAA proceedings were terminated and a receiver was appointed to dispose of any remaining assets at that time.

<u>Conflicts of Interest</u>

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. However, the Company's directors and officers may serve on the boards and/or as officers of other companies which may compete in the same industry as the Company, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which the Company may participate or enter into contracts with the Company, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that a conflict of interest arises at a meeting of the directors of the Company, such conflict of interest must be declared and the declaring parties must recuse themselves from the meeting and abstain from participating and voting for or against the approval of any project or opportunity in which they may have an interest. Provided such steps are followed and subject to any limitations in the Company's constating documents, a transaction would not be void or voidable because it was made between the Company and one or more of its directors or by reason of such director being present at the meeting at which such agreement or transaction was approved. The remaining directors will determine whether or not the Company will participate in any such project or opportunity.

To the best of the Company's knowledge, other than as set forth below, there are no known existing or potential conflicts of interest among the Company, directors, executive officers or other members of management of the Company as a result of their outside business interests.

David Berman is a member of the board of directors of The New Home Company ("**TNHC**"), a California-based homebuilding and land development company that is listed on the New York Stock Exchange. Through its private investment vehicles, the Company holds a significant interest in TNHC and has entered into a number of transactions with TNHC and expects to enter into additional transactions in the future.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

PROMOTERS

No person was considered a promoter of Tricon for the purposes of applicable securities legislation during the last two completed fiscal years of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company was not party to, nor was its property the subject of, any material legal proceedings during the 2015 fiscal year, nor is it aware that any such proceedings are contemplated.

No penalties or sanctions relating to securities legislation were imposed, nor were any related settlement agreements entered into, nor were there any other material penalties or sanctions imposed by a court or regulatory body, on or by the Company during the 2015 fiscal year.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Equity Financial Trust Company at its principal office located at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The full text of the Charter of the Audit Committee is set out in Schedule A.

Audit Committee Composition

The Audit Committee is composed of three independent,[1] financially literate[2] directors as of the date of this AIF: Michael Knowlton, Peter Sacks and Siân Matthews. An outline of their work experience and education is set out above under "Directors and Officers". The Board believes that the composition of the Audit Committee reflects a high level of financial literacy. Each member of the Audit Committee has education and experience that is relevant to his or her performance as an Audit Committee member and has, in particular, education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements;

(b) the ability to assess the general application of the above noted principles in connection with estimates, accruals and reserves;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

[1] Pursuant National Instrument 52-110 - Audit Committees, as amended, of the Canadian Securities Administrators ("**NI 52-110**"), a member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

[2] An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The Board has determined that each member of the Audit Committee is financially literate, having reference to the definition contained in NI 52-110 and consideration of the relevant education and experience of each member of the Audit Committee.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Sections 2.4 (De Minimis Non-audit Services), 3.2 (Initial Public Offerings), 3.3(2) (Controlled Companies), 3.4 (Events Outside Control of Members), 3.5 (Death, Disability or Resignation of Audit Committee Member), 3.6 (Temporary Exemption for Limited and Exceptional Circumstances), 3.8 (Acquisition of Financial Literacy) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 thereof.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has the Audit Committee made a recommendation to nominate or compensate an external auditor not adopted by the Board.

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors, to approve in advance the provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services provided to the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chair of the Audit Committee deems is necessary, and the Chair will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Audit Committee's consideration, and if thought advisable, approval in writing.

External Auditor Service Fees

PricewaterhouseCoopers LLP was first appointed as auditors of the Company on January 26, 2010. The aggregate fees paid to PricewaterhouseCoopers LLP for the fiscal years 2013 through 2015 are as follows. All amounts listed below are in Canadian dollars.

Fiscal Year Ended December 31	Company Audit Fees	Company Audit Related Fees	Audit of Tricon-Managed Funds	Tax Fees	All Other Fees
2015	418,500	647,000	301,000	266,000	-
2014	405,000	68,500	301,800	340,100	26,700
2013	298,000	639,000	256,000	177,000	51,000

"Audit Related Fees" comprise services performed on the Company's quarterly interim reviews and prospectus audit work done. "All Other Fees" relate to additional consulting services. An additional 5% administrative fee is charged on the fee amounts noted above.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or shareholder that beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the outstanding Common Shares, or any known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction or proposed transaction within the three most recently completed fiscal years or during the current fiscal year that has materially affected or will materially affect the Company or a subsidiary of the Company.

The Company has a ten year sub-lease commitment on its head office premises to a related party, Mandukwe Inc., a company owned or controlled by a director and co-founder of the Company, Geoffrey Matus. The annual rental amount is C$43,260 plus common area maintenance costs and realty taxes. The lease expires on November 30, 2019.

In connection with Tricon's acquisition of an approximately 68.4% limited partnership in interest in THP1 US (See "General Description of the Business – Principal Investment Verticals – Active Fund Profiles"), David Berman, Geoff Matus, Gary Berman and Jonathan Ellenzweig sold their indirect interests in THP1 US to Tricon. As set forth in the prospectus filed in connection with the transaction, Tricon relied on an exemption from the valuation and minority approval requirements for "related party transactions" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), on the basis that neither the fair market value of, nor the fair market value of the consideration for, the transaction as it related to David Berman, Geoff Matus, Gary Berman and Jonathan Ellenzweig was greater than 25% of the Company's market capitalization calculated in accordance with MI 61-101.

At the time of the Company's initial public offering, certain contractual arrangements were confirmed pursuant to which all Contractual Fees and Performance Fees received in respect of funds created prior to January 1, 2000 are for the account of certain directors, employees and other individuals and will be allocated and paid to such individuals by way of bonus or other contractual payment.

INTERESTS OF EXPERTS

The Company's auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have prepared an independent auditors' report dated March 8, 2016 in respect of the Company's financial statements with accompanying notes as at and for the year ended December 31, 2015. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

MATERIAL CONTRACTS

The following are the only material contracts, other than contracts in the ordinary course of business, which have been entered into by the Company and which are still in effect:

- The 2020 Convertible Debenture Indenture (see "Description of Capital Structure – Convertible Debentures").

- The Securitized Loan Agreement (See "Description of the Business – General Development of the Business – Tricon American Homes").

- On February 27, 2015, the Company entered into a second amended and restated credit agreement with Royal Bank of Canada and other financial institutions. The agreement was amended on June 30, 2015 and provides for a $235 million revolving credit facility. Amounts borrowed under the facility bear interest at an applicable reference rate (LIBOR, Canadian prime rate, or U.S. base rate, all as defined in the credit agreement), depending on the type of loan advanced, plus an applicable margin, depending on the type of loan and the Company's debt-to-EBITDA ratio (as calculated under the agreement). The range of applicable margins is 350-375 basis points for LIBOR loans and 250-275 basis points for other loan types. Tricon Capital Group Inc. is the borrower under the facility and the facility is guaranteed by certain of its subsidiaries and is subject to customary financial and non-financial covenants.

- On June 13, 2013 Tricon American Homes entered into a loan agreement with Deutsche Bank AG and other financial institutions, which has been amended from time to time and which provides for a revolving credit facility of $300 million to finance property acquisitions in Tricon American Homes. Certain subsidiaries of Tricon American Homes LLC are the borrowers under the facility. Amounts borrowed under the facility bear interest at a rate equal to LIBOR plus 3.00%, subject to a LIBOR floor of 0.25%. The facility is guaranteed by Tricon Capital Group Inc. on a non-recourse basis subject only to certain "bad boy" acts, and is subject to customary financial and non-financial covenants.

ADDITIONAL INFORMATION

Additional financial information relating to the Company is available in its financial statements and management's discussion and analysis for the financial year ended December 31, 2015.

All of these documents, as well as additional information relating to the Company, are available on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, will be contained in the Company's management information circular for its annual meeting of shareholders scheduled for May 25, 2016.

Toronto, Ontario
March 8, 2016

Schedule A – Audit Committee Charter (the "Charter")

1. Purpose

The Audit Committee (the "**Committee**") is appointed by the board of directors (the "**Board**") of Tricon Capital Group Inc. (the "**Corporation**") to assist in the oversight and evaluation of:

- the quality and integrity of the financial statements of the Corporation;
- the internal control and financial reporting systems of the Corporation;
- the compliance by the Corporation with legal and regulatory requirements in respect of financial disclosure;
- the qualification, independence and performance of the Corporation's independent auditors;
- the performance of the Corporation's Chief Financial Officer; and
- any additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

In addition, the Committee provides an avenue for communication between the independent auditor, financial management, other employees and the Board concerning accounting and auditing matters.

The Committee is directly responsible for the appointment, compensation, retention (and termination) and oversight of the work of the independent auditor (including oversight of the resolution of any disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing audit reports or performing other audit, review or attest services for the Corporation.

The Committee is not responsible for:

- planning or conducting audits,
- certifying or determining the completeness or accuracy of the Corporation's financial statements or that those financial statements are in accordance with generally accepted accounting principles, or
- guaranteeing the report of the Corporation's independent auditor.

The fundamental responsibility for the Corporation's financial statements and disclosure rests with management and the independent auditors are responsible for auditing those financial statements. It is not the duty of the Committee to conduct investigations, to itself resolve disagreements (if any) between management and the independent auditor or to ensure compliance with applicable legal and regulatory requirements.

2. Reports

The Committee shall report to the Board on a regular basis and, in any event, before the public disclosure by the Corporation of its quarterly and annual financial results. The reports of the Committee shall include any issues of which the Committee is aware with respect to:

- the quality or integrity of the Corporation's financial statements;
- compliance by the Corporation with legal or regulatory requirements in respect of financial matters and disclosure;
- the performance and independence of the Corporation's independent auditor;
- the effectiveness of systems of control (including risk management) established by management to safeguard the assets (real and intangible) of the Corporation; and
- the proper maintenance of accounting and other records.

The Committee shall also prepare, as required by applicable law, any audit committee report required for inclusion in the Corporation's publicly filed documents.

3. Composition

The members of the Committee shall be three or more individuals who are appointed (and may be replaced) by the Board. Each of the members of the Committee shall meet the standards for independence required by applicable regulatory, stock exchange and securities law requirements and, without limitation, shall be financially literate (or acquire that familiarity within a reasonable period after appointment). This shall, at a minimum, include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity that can reasonably be expected to be raised by the Corporation's financial statements. No member of the Committee shall accept (directly or indirectly) any consulting, advisory or other compensatory fee from the Corporation (other than remuneration for acting in his or her capacity as a director) or be an "affiliated person" of the Corporation. (For this purpose, an "affiliate" of a person is a person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the first person.) Without the approval of the Board, no member of the Committee shall concurrently serve on the audit committee of a competitor or client.

4. Responsibilities

It is recognized that, in fulfilling their responsibilities, members of the Committee are not full-time employees of the Corporation. As such, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to determine that the Corporation's financial statements are complete and accurate. Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Corporation from which it receives information, and (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board).

The Committee shall have authority over, and shall be responsible for, the following specific matters:

4.1. Independent Auditors

For the purposes of this Section 4.1, references to "independent auditors" include a reference to the independent auditors of any material subsidiary of the Corporation (other than a subsidiary that has an audit committee comprised of individuals who are independent from the Corporation) if different than the independent auditors of the Corporation (a "**Subsidiary Auditor**").

The Committee shall:

- Recommend to the Board the independent auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation.
- Establish the compensation of the independent auditor.
- Obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the Committee and the Board.
- Oversee the independent auditor and, in the context thereof, require the independent auditor to report to the Committee (among other things) any disagreement between management and the independent auditor regarding financial reporting and the resolution of each such disagreement.
- Adopt policies and procedures for the pre-approval of the retention of the Corporation's independent auditor for all audit and permitted non-audit services (subject to any restrictions on such services imposed by applicable legislation), including procedures for the delegation of authority to provide such approval to one or more members of the Committee.
- At least annually, review the qualifications, performance and independence of the independent auditor. In doing so, the Committee should, among other things, undertake the measures set forth in Appendix "A" to this Charter.
- At least annually, review and approve a strategy for the appointment of independent auditors by any of the Corporation's subsidiaries (other than its material subsidiaries or any subsidiary that has an audit committee comprised of individuals who are independent from the Corporation).

4.2. The Audit Process, Financial Statements and Related Disclosure

The Committee shall, as it determines to be appropriate:

- Review with management and the independent auditor and, where appropriate, any Subsidiary Auditor:
  - the proposed audit plan and scope of review by the independent auditor or Subsidiary Auditor;
  - before public disclosure, the Corporation's annual audited financial statements and quarterly unaudited financial statements, the Corporation's accompanying disclosure of management's discussion and analysis of financial condition and results of operations

("**MD&A**") and earnings press releases and make recommendations to the Board as to the approval and dissemination of those statements and disclosure;

  - the adequacy of the procedures for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in the immediately preceding paragraph and periodically assess the adequacy of those procedures and consider whether they are complete and consistent with the information known to committee members;

  - financial information and any earnings guidance provided to analysts and rating agencies, recognizing that this review and discussion may be done generally (consisting of a discussion of the types of information to be disclosed and the types of presentations to be made) and need not take place in advance of the disclosure of each release or provision of guidance;

  - any significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the selection or application of accounting principles, any major issues regarding auditing principles and practices, and the adequacy of internal controls that could significantly affect the Corporation's financial statements;

  - all critical accounting policies and practices used;

  - all alternative treatments of financial information within International Financial Reporting Standards ("**IFRS**") that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;

  - the use of "pro forma" or "adjusted" non-IFRS information;

  - the effect of regulatory and accounting initiatives, as well as any off-balance sheet structures, transactions, arrangements and obligations (contingent or otherwise), on the Corporation's financial statements;

  - any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls or disclosure controls made to the Committee by the Chief Executive Officer and the Chief Financial Officer during their certification process in documents filed with applicable securities regulators;

  - the adequacy of the Corporation's internal accounting controls and management information systems and its financial, auditing and accounting organizations and personnel and any special steps adopted in light of any material control deficiencies; and

  - the establishment, and periodic review, of procedures for the review of financial information extracted or derived from the Corporation's consolidated financial statements.

- Review with management the Corporation's guidelines and policies with respect to risk assessment and the Corporation's major financial and business risk exposures and the steps management has taken to monitor and control such exposures.

- Review with the independent auditor or any Subsidiary Auditor:

  - the quality as well as the acceptability of the accounting principles that have been applied;

  - any problems or difficulties the independent auditor may have encountered during the provision of its audit-related services, including any restrictions on the scope of activities or access to requested information and any significant disagreements with management, any management letter provided by the independent auditor or other material communication (including any schedules of unadjusted differences) to management and the Corporation's response to that letter or communication; and

  - any changes to the Corporation's significant accounting principles and practices suggested by the independent auditor and members of management.

- Review with management all related party transactions and the development of policies and procedures related to those transactions.

- Following completion of the annual audit, review with each of management and the independent auditors (or Subsidiary Auditors) any significant issues, concerns or difficulties encountered during the course of the audit including:

  - restrictions on the scope of work or on access to required or requested information;

  - issues or concerns that arose during the course of the audit concerning the Corporation's internal accounting controls, or the fair presentation, completeness or accuracy of the financial statements; and

  - analyses prepared by management or the auditors setting forth significant financial reporting issues and judgments made in connection with preparation of the financial statements (including analysis of the effects of alternative treatments under generally accepted accounting principles).

- Periodically review reports on the Corporation's information technology systems that support the financial reporting process.

- Receive and review reports from other Board committees with regard to matters that could affect the audit or results of operations.

- Oversee appropriate disclosure of the Charter, and other information required to be disclosed by applicable legislation in the Corporation's public disclosure documents, including any management information circular distributed in connection with the solicitation of proxies from the Corporation's security holders.

4.3. __Compliance__

The Committee shall, as it determines appropriate:

- Review with the Corporation's Chief Financial Officer, other members of management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Corporation's financial statements or accounting policies.

- Review with the Corporation's external legal counsel legal matters that may have a material impact on the financial statements or accounting policies.

- Establish procedures for:
  - the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and
  - the confidential, anonymous submission by employees of the Corporation with concerns regarding any accounting or auditing matters.
- Review independent financial analyst commentary concerning the Corporation and its financial reporting.

4.4. <u>Delegation</u>

To avoid any confusion, the Committee responsibilities identified above are the sole responsibility of the Committee and may not be delegated to a different committee.

5. Meetings

The Chair of the Committee shall be selected by the Board. If the Chair of the Committee is not present, the members of the Committee may designate a Chair for the meeting by majority vote of the members of the Committee present.

The Committee shall meet in accordance with a schedule established each year by the Committee, and at other times that the Committee may determine. Quorum for all meetings shall be a majority of the Committee members. Minutes shall be maintained of all meetings of the Committee and copies of the minutes shall be made available to all members of the Board.

The Committee shall meet periodically with the Chief Financial Officer, the independent auditors and external legal counsel in separate sessions. Meeting agendas shall be developed by the Chair of the Committee in consultation with the Corporation's management and the independent auditors. Committee members may propose agenda items through communication with the Chair of the Committee or the Chief Financial Officer. Agendas, together with appropriate briefing materials, shall be circulated to Committee members prior to meetings. At the discretion of the Committee, members of management and others may attend Committee meetings other than the separate sessions with the independent auditors, the Chief Financial Officer and the external legal counsel.

6. Resources and Authority

The Committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to engage and establish the compensation of, at the expense of the Corporation, outside advisors including experts in particular areas of accounting, legal counsel and other experts or consultants as it determines necessary to carry out its duties, without seeking approval of the Board or management. The Committee will advise the Board of any such action taken.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and has direct access to the independent auditors as well as anyone in the Corporation.

7. <u>Annual Evaluation</u>

At least annually, the Committee shall, in a manner it determines to be appropriate:

- Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter.

- Review and assess the adequacy of its Charter (including with respect to the procedures regarding the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements) and recommend to the Board any improvements to this Charter that the Committee determines to be appropriate.

Appendix "A"
Qualifications, Performance and Independence of Independent Auditor

At least annually, the Committee shall, in a manner it determines to be appropriate:

- Review the experience and qualifications of the senior members of the independent auditor's team.
- Confirm with the independent auditor that it is in compliance with applicable legal, regulatory and professional standards relating to auditor independence.
- Review and approve clear policies for the hiring by the Corporation of employees or partners or former employees or former partners of the current and former independent auditor.
- Review annual reports from the independent auditor regarding its independence and consider whether there are any non-audit services or relationships that may affect the objectivity and independence of the independent auditor and, if so, recommend that the Board take appropriate action to satisfy itself of the independence of the independent auditor.
- Obtain and review such report(s) from the independent auditor as may be required by applicable legal and regulatory requirements.
- Conduct an evaluation (taking into account the opinions of management) of the independent auditor's qualifications, performance and independence and present to the Board the Committee's conclusion in such regard.
- Review, as required, the independent auditor's plans with respect to the partner rotation.