TRICON

Tricon Capital Group Inc.

Management's Discussion and Analysis
for the Three and Nine Months Ended September 30, 2015

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1. Introduction

This Management’s Discussion and Analysis (“MD&A”) is dated as of November 11, 2015, the date it was approved by the Board of Directors of Tricon Capital Group Inc. (“Tricon” or the “Company”), and reflects all material events up to that date. It should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes for the three and nine months ended September 30, 2015, and the audited consolidated financial statements for the year ended December 31, 2014. All amounts have been expressed in U.S. dollars, unless otherwise noted. Additional information about the Company is available on our website at www.triconcapital.com, and on the Canadian Securities Administrators’ website at www.sedar.com.

The unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2015, were prepared using International Financial Reporting Standards (“IFRS”) accounting policies consistent with the Company’s audited consolidated financial statements for the year ended December 31, 2014.

1.1 Forward-looking Statements

Certain statements in this MD&A 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 subsidiaries 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 results of operations; continuing positive future prospects and opportunities; demographic and industry trends remaining unchanged; availability of a stable workforce; and future levels of indebtedness and current economic conditions remaining unchanged.

This MD&A includes forward-looking statements pertaining to:

- Fund and investment performance (including, in particular: project timelines and sales expectations, projected Internal Rate of Return (“IRR”) and Return on Investment (“ROI”), projected net cash flow, unrealized gross cash flow, Johnson’s performance and projected cash flows). IRRs, ROIs and unrealized cash flows are based in part on Tricon’s projected cash flows for incomplete projects in its funds. Such figures are derived through a process in which the developers for projects in Tricon’s funds prepare for Tricon detailed quarterly and annual budgets and cash flow projections for all incomplete projects, which budgets and projections are based on current market information and local market knowledge. Upon receipt of such information, Tricon reviews the information and makes necessary adjustments or provides necessary contingencies based on its experience. These adjustments or contingencies may come in the form of extending a project’s sales or construction timeline, reducing a project’s expected revenue, increasing a project’s expected costs or some combination of the foregoing. Numerous factors may cause actual fund and investment performance to differ from current projections, including those factors noted under “Risk Definition and Management”.

- Tricon American Homes occupancy, and in particular the positive impact of management integration. These statements are based in part on the expected impact of operational synergies and advantages. Occupancy is heavily dependent on overall tenant demand for single-family rental homes. Demand is dependent on a number of factors, including macro-economic factors, many of which are discussed in this MD&A under “Risk Definition and Management”. If these or other factors lead to declining demand, occupancy may be negatively impacted.

- Anticipated demand for homebuilding, single-family rental homes, manufactured housing communities and purpose-built rental apartments and any corresponding effect on the Company’s performance. 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 carries on its business. Housing demand is dependent on a number of factors, including macro-economic factors, many of which are discussed in this MD&A under “Risk Definition and Management”.

If these or other factors lead to declining demand, occupancy and the pace or pricing of home sales may be negatively impacted.

- The ongoing availability of single-family rental homes at prices that match the Company'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 the Company conducts its business. Home prices are dependent on a number of factors, including macro-economic factors, many of which are discussed in this MD&A under "Risk Definition and Management". If these or other factors lead to increases in home prices above the Company's expectation, it may become more difficult for the Company to find rental homes at prices that match the Company's underwriting model.

- The Company's intent to build a manufactured housing community vertical and attract investment in it. These statements are based on management's current intention in light of its analysis of current manufactured housing community and market conditions and its understanding of investor interest in these sectors, which are factors outside of the Company's control. Should market conditions or other factors impact the Company's ability to build a manufactured housing community portfolio, actual results may differ from its current intention.

- The Company's intentions regarding its Tricon Luxury Residences business vertical, including its growth expectations, target returns and project metrics, target markets, and its intentions to sell a portion of its U.S. investments to institutional investors. These statements are based on management's current expectations and underwriting and other assumptions described in the Company's short form preliminary prospectus filed on August 3, 2015, and available at www.sedar.com. Should market conditions or other factors impact these assumptions, actual results may differ from the Company's current intention.

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 MD&A, including, without limitation, those listed in the "Risk Definition and Management" section of this MD&A. 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 MD&A. See "Risk Definition and Management" 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, and therefore cause actual results to deviate from the forward-looking statements.

Although the forward-looking statements contained in this MD&A 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 MD&A 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 to reflect the occurrence of unanticipated events, except as required by law, including securities laws.

1.2 Overview

Tricon Capital Group (TSX: TCN) is a principal investor and asset manager focused on the residential real estate industry in North America with approximately $2.5 billion (C$3.3 billion) of assets under management. Tricon owns, or manages on behalf of third-party investors, a portfolio of investments in land and homebuilding assets, single-family rental homes, manufactured housing communities, and multi-family development projects. Our business objective is to invest for investment income and capital appreciation through our Principal Investment business and to earn fee income through our Private Funds and Advisory business. Since its inception in 1988, Tricon has invested in real estate and development projects valued at approximately $16 billion.

Principal Investments

As a principal investor, the Company currently invests through its balance sheet in four related and complementary residential business lines, with the objective of generating investment income and capital appreciation, as follows:

(i) Tricon Housing Partners ("THP") – Co-Investment in development-oriented private commingled funds, separate accounts and side-cars that provide equity-type capital to local operators for land development, homebuilding, multi-family construction and ancillary commercial development.

(ii) Tricon American Homes ("TAH") – Investment in U.S. single-family rental ("SFR") homes across various states.

(iii) Tricon Lifestyle Communities ("TLC") – Investment in U.S. manufactured housing communities ("MHC") where land parcels are leased to owners of prefabricated homes.

(iv) Tricon Luxury Residences ("TLR") – Co-Investment alongside institutional investors and local developers to develop and manage a portfolio of Class A purpose-built rental apartments across the U.S. and Canada.

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. Our business objective in our Private Funds and Advisory business is to earn Contractual Fees and Performance Fees through:

(i) Asset management of third-party capital, including private commingled funds, separate accounts, side-cars and syndicated investments. The Company's asset management business includes 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 for master planned communities through Tricon's 50.1% investment in The Johnson Companies LP ("Johnson") and development management services performed by Tricon Development Group Ltd. ("TDG") in respect of TLR projects.

The following is a list of active private commingled funds, separate accounts, side-cars and syndicated investments:

- Tricon Housing Partners US LP ("THP1 US")
- Tricon Housing Partners US II LP ("THP2 US")
- Tricon Housing Partners Canada LP ("THP1 Canada")
- Tricon Housing Partners Canada II LP ("THP2 Canada")
- Tricon Housing Partners Canada III LP ("THP3 Canada")
- Separate accounts include Cross Creek Ranch, Fulshear Farms, Grand Central Park, Trilogy at Verde River, The Selby (a TLR investment) and Viridian
- U.S. side-cars include Trilogy at Vistancia West, Arantine Hills and Trilogy Lake Norman
- Canadian syndicated investments include Five St. Joseph, Heritage Valley and Mahogany

1.3 Strategy and Value Creation

Principal Investments

Tricon Housing Partners

Through Tricon Housing Partners, our land and homebuilding investment vertical, the Company co-invests in private commingled funds, separate accounts and side-cars that participate in the development of residential real estate across North America. The Company typically co-invests 10–20% of the total capital required for the various investment vehicles and raises the balance from private investors, which are generally institutional. As a co-investor, the Company earns its pro rata share of investment income, transaction fees and capital appreciation on the underlying investments.

In August 2013, Tricon purchased a controlling 68.4% interest in THP1 US. THP1 US's investments consist of residential assets that were acquired between 2008 and 2012 at significant discounts to peak pricing. These assets are projected to generate material cash flows over the next few years as properties are developed and sold.

Tricon views the land and homebuilding business as a three-step process that includes 1) rezoning and entitlement activity; 2) installation of horizontal infrastructure, namely roads and utilities; and 3) vertical construction of single-family and multi-family dwellings. In order to mitigate risk, our preference is to generally invest in the second and third phase, although we will take entitlement risk, primarily when base zoning is in place or approvals are only administrative in nature. Given that the business plan requires the developer/builder to add value through planning, development and construction work, the Company typically underwrites investments to achieve 20% annual compounded returns, recognizing that there may be some adjustments needed along the way.

The Company currently believes that the best risk-adjusted investment opportunities for land and homebuilding are available in the United States, particularly in the sunbelt or the so-called "smile" states in which it is currently operating. These markets continue to show above average population and job growth and thus require a significant amount of new homebuilding activity to meet demographic demand. THP currently operates in nine major markets across the United States (Northern and Southern California; Phoenix, Arizona; Austin, Dallas and Houston, Texas; Southeastern Florida; Charlotte, North Carolina; and Atlanta, Georgia) and four major markets in Canada (Greater Vancouver area, Calgary, Edmonton and Toronto).

Tricon American Homes

Tricon American Homes, the Company's single-family rental vertical, has an integrated business platform responsible for the acquisition, renovation, leasing and property management of single-family rental homes within major U.S. cities that exhibit strong employment and population growth, typically in markets where Tricon already has a presence through Tricon Housing Partners.

Tricon American Homes adheres to specific acquisition criteria for each of its target markets and has local on-the-ground staff who are responsible for underwriting, acquiring and overseeing the renovation of single-family rental homes. We have a disciplined, yield-based selective acquisition process, with a plan to acquire on average 400 to 500 homes per quarter.

TAH's acquisition program is currently focused on some of the fastest growing markets in the United States. The Company continues to see opportunities to buy high-quality homes in desirable neighbourhoods at average cap rates of 6.5% to 7% in its targeted markets. Homes are sourced through trustee sales, foreclosures, over the Multiple Listing Service and selective portfolio acquisitions.

Although the foreclosure-related channels may shrink over time, Tricon expects that there will be a long-term buying opportunity in each of these markets or in other attractive markets.

Tricon Lifestyle Communities

In our Tricon Lifestyle Communities vertical, the Company has entered into a joint venture with Cobblestone Real Estate ("Cobblestone"), a vertically integrated asset and property manager, to purchase three to four-star manufactured housing communities located primarily in the U.S. sunbelt region. Under the terms of the joint venture, the Company will invest at least 97% of the equity capital for each community 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 believes there is an opportunity to assemble a high-yielding, institutional-quality portfolio in a highly fragmented market that is largely dominated by private investors. The Company's aim is to build a diverse portfolio of quality assets that will garner the interest of public markets and strategic investors once critical mass is achieved. Tricon and Cobblestone target well-located MHCs that are initially deemed to be three to four-star quality and potentially suffering from below market rents and low occupancy.

Tricon Luxury Residences

Through our Tricon Luxury Residences vertical, the Company is focused on developing and managing a portfolio of Class A purpose-built rental apartments across the United States and Canada. Tricon has a successful track record investing in multi-family development and in managing single-family rental properties. As a result, Tricon intends to leverage its expertise to build a platform which focuses on developing and managing premium-quality apartment buildings in high-growth markets. 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. TLR plans to co-invest alongside local developers and institutional investors to create a long-term income stream via its ownership stake and management role in the properties.

While the overall investment thesis for TLR is consistent across markets, Tricon's current approach to executing the business plan differs in the U.S. and Canada. In the U.S., Tricon expects to earn primarily investment income by participating as a dedicated limited partner in partnership with local developers and providing the majority of the project equity for development. In Canada, Tricon intends to co-invest alongside institutional investment partners that will provide the majority of the project capital and pay management fees and, if applicable, performance fees to Tricon. Furthermore, a Tricon subsidiary will act as the developer on projects situated in Toronto and earn development management fees. Accordingly, in Canada the strategy is expected to result in both investment and ancillary fee income.

In the U.S., Tricon is targeting 15–20% IRRs over a ten-year period, with potential upside from ancillary fees. Tricon has entered into a definitive partnership agreement with StreetLights Residential ("SLR"), pursuant to which SLR will act as a general partner and developer for TLR's U.S. apartment portfolio in its initial target markets and Tricon will participate as a dedicated limited partner. As such, TLR US will provide up to 90% of the project equity. Tricon intends in selected circumstances to partially sell down its interest in the projects upon stabilization to institutional investors, but will have the option to divest a portion of its equity stake to third-party institutional investors at any time. Tricon will work together with SLR as the asset manager of the stabilized portfolio following the completion of construction. Tricon also has certain sale and buy-out rights of SLR's interest following the completion of individual developments. The partnership will pursue a development strategy that targets southwest markets, initially including Dallas, Phoenix and San Diego, and may expand into other complementary markets over time.

In Canada, Tricon is targeting 15–20% IRRs over a ten-year period, including ancillary fee income, by acting as the sponsor or general partner to each project, and partnering with institutional investors to leverage its operating platform. Tricon typically expects to provide 15-20% of the project equity and intends to maintain a long-term ownership stake in the projects. The remaining equity will be provided by institutional investors that will pay asset management fees and possibly performance fees to Tricon. In addition, Tricon has formed TDG as a wholly-owned subsidiary to act as a principal developer for all purpose-built rental buildings in which TLR invests in Toronto. TLR Canada will also evaluate additional development opportunities in other cities across Canada such as Vancouver. For those projects, TLR Canada intends to leverage its existing relationships to identify local partners to act as development managers for such projects.

Private Funds and Advisory

In our Private Funds and Advisory business, the Company manages and originates investments through private commingled funds, separate accounts, side-cars or syndicated investments on behalf of third-party private investors. Through its Tricon Housing Partners sponsored investment vehicles, the Company provides equity-type financing to experienced local or regional developers/builders in the United States and Canada in the form of either participating loans, which consist of a base rate of interest and/or a share of net cash flow, or joint ventures. These development partners or operators acquire, develop, and/or construct primarily residential projects including single-family and multi-family land development, homebuilding, and for-sale multi-family construction.

In THP sponsored investment vehicles, Tricon typically receives annual contractual fees of 1–2% per annum based on committed or invested capital during the life of the investments. After the return of capital and a pre-agreed upon preferred return, Tricon endeavours to receive performance fees based on terms outlined in the various investment vehicles' definitive agreements. Commingled funds typically have a life of eight years (before extension provisions) and separate accounts typically have maturity dates timed to coincide with the underlying investment.

Our investors include plan sponsors, institutions, endowments, foundations and high net worth investors who seek exposure to the residential industry both in the United States and Canada. We currently manage capital for 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 are currently ranked as a top 50 global real estate asset manager according to PERE.

As described above, in TLR Canada, Tricon co-invests alongside institutional investors in the development and ownership of Class A purpose-built rental apartments, earning development fees during construction (for projects in Toronto) (see "Tricon Development Group", below), and, in consideration for its management on behalf of institutional investors, expects to earn asset/property management fees upon stabilization and potentially performance fees thereafter.

The Johnson Companies LP

Through our 50.1% investment in Johnson, the Company earns contractual development fee income and sales commissions from the development and sale of single-family lots and commercial land within the master planned communities that Johnson manages.

Johnson is an active development manager of master planned communities in the United States and the only development manager in the United States to have three master planned communities ranked in the top 20 in 2014 (Source: John Burns Real Estate Consulting). Johnson earns development management fees and sales commissions from the sale of residential lots and commercial land within the master planned communities that it manages. The aggregate fees and commissions are typically 3–5% of land sales revenue and are generally paid to Johnson on the closing to a third-party homebuilder or commercial developer. Land sales are typically lumpy and difficult to predict quarter-to-quarter.

Over the long term, the Company expects recurring contractual development fee income will be generated by the development and sale of over 24,000 residential lots and 1,500 acres of commercial land managed by Johnson.

Tricon Development Group

Tricon Development Group acts as a principal developer for all purpose-built rental buildings in which the Company invests in Toronto, Canada. TDG was established with the hiring of two experienced managers who oversee project development and construction. TDG also retains experienced third-party construction managers to oversee the direct construction of all development projects. TDG expects to earn development fees from each project at market rates during the construction period.

2. Financial and Segment Highlights

Table 1: Selected Financial and Segment Information

(in thousands of U.S. dollars, except for per share amounts)

For the Periods Ended September 30	Three Months			Nine Months		
	2015	**2014**	**Variance**	**2015**	**2014**	**Variance**
Selected Financial Statements Information						
Total Assets[(1)]				**$ 802,391**	$ 719,724	$ 82,667
Total Liabilities[(1)]				**180,809**	229,746	(48,937)
Revenue	**$ 27,891**	$ 49,107	$ (21,216)	**76,063**	92,451	(16,388)
Expenses	**(5,230)**	10,440	(15,670)	**46,624**	37,011	9,613
Net Income[(2)]	**33,121**	38,667	(5,546)	**29,439**	55,440	(26,001)
Basic Earnings Per Share	**0.34**	0.43	(0.09)	**0.32**	0.61	(0.29)
Diluted Earnings Per Share	**0.20**	0.32	(0.12)	**0.31**	0.51	(0.20)
Weighted Average Basic Shares Outstanding	**97,311,968**	90,973,738	6,338,230	**92,838,561**	90,856,450	1,982,111
Weighted Average Diluted Shares Outstanding[(3)]	**115,916,032**	109,571,512	6,344,520	**94,313,706**	109,453,436	(15,139,730)
Selected MD&A Financial Information						
Adjusted Base Revenue	**$ 20,873**	$ 19,927	$ 946	**$ 60,350**	$ 63,673	$ (3,323)
Adjusted EBITDA	**25,195**	18,039	7,156	**84,493**	63,082	21,411
Adjusted Net Income	**11,997**	11,683	314	**50,127**	39,946	10,181
Adjusted Basic Earnings Per Share	**0.12**	0.13	(0.01)	**0.54**	0.44	0.10
Adjusted Diluted Earnings Per Share	**0.10**	0.11	(0.01)	**0.45**	0.36	0.09
Dividends Per Share	**C$ 0.06**	C$ 0.06	–	**C$ 0.18**	C$ 0.18	–
Weighted Average Basic Shares Outstanding	**97,311,968**	90,973,738	6,338,230	**92,838,561**	90,856,450	1,982,111
Weighted Average Diluted Shares Outstanding	**115,916,032**	109,571,512	6,344,520	**111,353,101**	109,453,436	1,899,665
Assets Under Management				**$ 2,523,407**	$ 2,035,734	$ 487,673
Selected Segment Information						
Principal Investments						
Tricon Housing Partners						
Assets Under Management				**$ 349,469**	$ 355,116	$ (5,647)
Investment Income – THP	**$ 5,400**	$ 7,367	$ (1,967)	**18,477**	34,953	(16,476)
Tricon American Homes						
Assets Under Management				**$ 967,578**	$ 617,333	$ 350,245
Investment Income – TAH	**$ 7,534**	$ 5,235	$ 2,299	**22,189**	12,810	9,379
Investment Income – TAH Fair Value Adjustment	**12,087**	5,357	6,730	**45,177**	16,312	28,865
Net Operating Income	**10,753**	8,262	2,491	**30,835**	20,729	10,106
Operating Margin[(4)]				**60%**	63%	(3%)
Number of Homes				**6,827**	4,682	2,145
In-place Occupancy				**91%**	83%	8%
Occupancy for Homes Owned 6+ months				**93%**	92%	1%
Tricon Lifestyle Communities						
Assets Under Management				**$ 23,948**	$ 14,129	$ 9,819
Investment Income – TLC	**$ 309**	$ 42	$ 267	**754**	42	712
Net Operating Income	**414**	114	300	**976**	114	862
Operating Margin[(4)]				**63%**	62%	1%
Number of Pads				**506**	314	192
In-place Occupancy				**89%**	91%	(2%)
Tricon Luxury Residences						
Assets Under Management				**$ 5,869**	$ –	$ 5,869
Investment Income – TLR	**$ 1**	$ –	$ 1	**3**	–	3
Private Funds and Advisory						
Assets Under Management				**$ 1,176,543**	$ 1,049,156	$ 127,387
Contractual Fees	**$ 7,281**	$ 6,838	$ 443	**17,905**	14,394	3,511
General Partners Distributions	**320**	358	(38)	**975**	1,359	(384)

(1) Reflects balances as at September 30, 2015 and December 31, 2014.

(2) Net Income for the nine months ended September 30, 2015 includes a $16.2 million fair value loss of derivative financial instruments (gain of $9.4 million for the same period in 2014) and $17.0 million foreign exchange gain (gain of $28.5 million in 2014). In Q3 2015, fair value gain on derivative financial instruments was $15.8 million (Q3 2014 – $7.5 million); Foreign exchange gain for Q3 2015 was $7.4 million (Q3 2014 – gain of $26.9 million).

(3) Per IFRS, shares underlying convertible debentures that are considered to be anti-dilutive are excluded from the diluted share count (Refer to Table 23: Shares Outstanding).

(4) Reflects TAH and TLC Operating Margins for the full year of 2014 and year-to-date 2015.

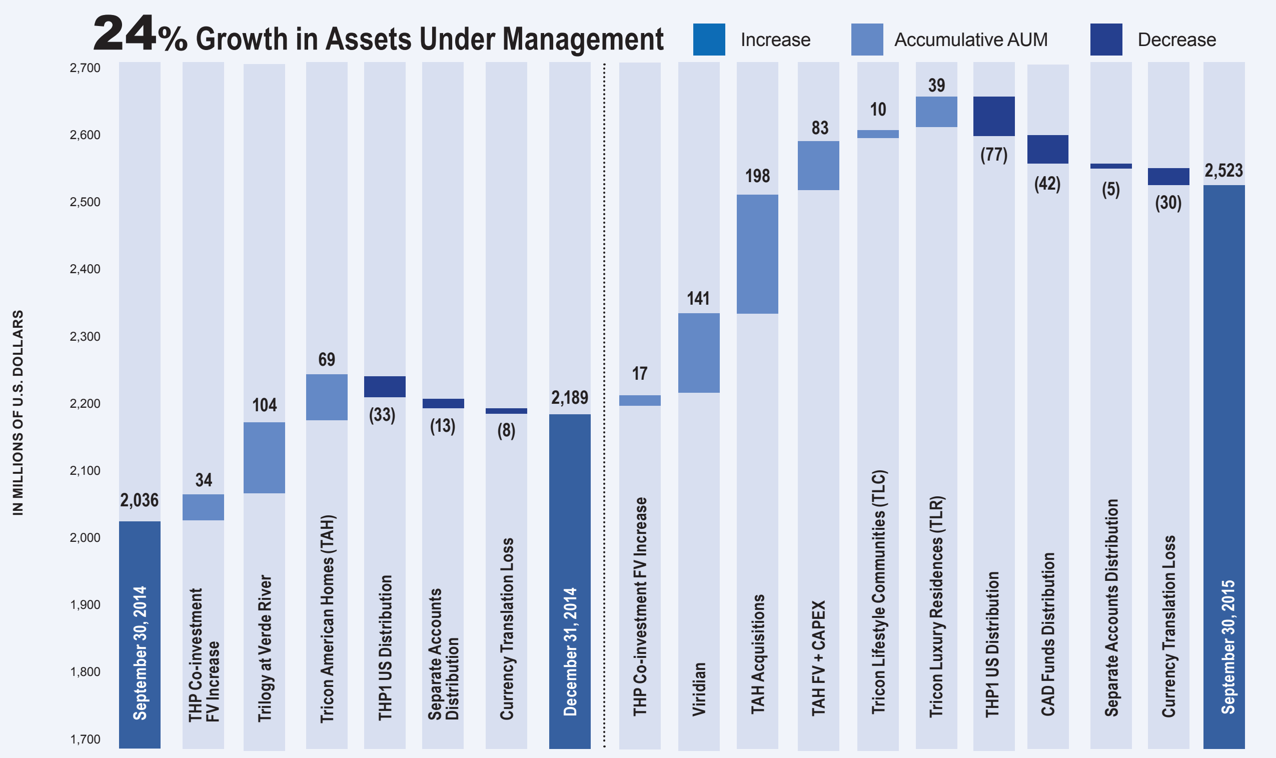
3. Financial Review

Set out below is a comparative review of adjusted financial results for the three and nine months ended September 30, 2015, compared to the corresponding period in 2014. These results should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014 and the unaudited condensed interim financial statements for the three and nine months ended September 30, 2015. The Company measures the success of its 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 *(refer to Section 6.1, Key Performance Indicators for details)*.

3.1 Assets Under Management

Assets Under Management were $2.523 billion as at September 30, 2015, representing an increase of 24% compared to a balance of $2.036 billion as at September 30, 2014 *(refer to Section 8.2, Supplementary Support for Financial Review, Table 21: Assets Under Management)*.

Figure 1: Changes in Assets Under Management



AUM increased by 15% since December 31, 2014, driven by:

- $141 million acquisition of Viridian, located in Arlington, Texas. Tricon has committed to invest $25 million in the project and an institutional investor has committed $116 million
- $17 million increase in THP1 US Co-Investment AUM, attributable to fair value adjustments
- $150 million acquisition of a portfolio of 1,385 single-family rental homes in April 2015, as well as acquisitions of other portfolios and individual homes totaling $48 million
- TAH AUM growth of $83 million from ongoing capital expenditures and fair value adjustments
- $10 million growth in TLC AUM resulting from the acquisition of Apache MHP located in Phoenix, Arizona
- An initial investment by TLR in a development project called "The Selby" (located in Toronto, Canada). Invested capital totalled $39 million year-to-date, of which $3.5 million was contributed by Tricon (15% co-investment of total equity contributed).

The increase was offset by:

- Distributions of $77 million by THP1 US.
- Return of capital of $42 million by the Canadian funds and $5 million from the Cross Creek Ranch separate account
- Depreciation of the Canadian dollar (from $1.1601 CAD:$1USD at December 31, 2014 to $1.3346 CAD:$1USD at September 30, 2015), resulting in a reduction of $30 million in the value of Canadian THP investments.

The figure below outlines Assets Under Management and Key Performance Metrics by Investment:

Figure 2: **Assets Under Management Summary**

TRICON
$2.5 billion Assets Under Management

PRINCIPAL INVESTMENTS
$1.3 billion Assets Under Management

Tricon Housing Partners

Investments	AUM ($ millions)	Investment Income ($ millions) YTD Q3 2015	Investment Income ($ millions) YTD Q3 2014
THP1 US	$ 227	**$ 15.3**	$ 30.0
THP2 US	29	**0.7**	1.4
Separate accounts	59	**0.8**	1.7
Side-cars	19	**1.3**	(0.2)
THP3 Canada	15	**0.4**	2.1
Total THP	**$ 349**	**$ 18.5**	**$ 35.0**

Tricon American Homes

Investments	AUM ($ millions)	2015 Operating Metrics	
TAH	$ 968	NOI	$ 30.8M
		Operating Margin	60%
		Homes	6,827
		In-place Occupancy	91%
		6M+ Homes Occupancy	93%

Tricon Lifestyle Communities

Investments	AUM ($ millions)	2015 Operating Metrics	
TLC	$ 24	NOI	$ 1.0M
		Operating Margin	63%
		Pads	506
		In-place Occupancy	89%

Tricon Luxury Residences

Investments	AUM ($ millions)	Investment Income ($ millions) YTD Q3 2015	Investment Income ($ millions) YTD Q3 2014
TLR	$ 6	$ –	$ –

Total $ 1,347

PRIVATE FUNDS AND ADVISORY
$1.2 billion Assets Under Management

Investments	AUM ($ millions)	Projected Gross IRR	Contractual Fees and GP Distributions ($ millions) YTD Q3 2015	Contractual Fees and GP Distributions ($ millions) YTD Q3 2014
United States				
THP1 US	$ 85	14%	**$ 2.6**	$ 3.0
THP2 US	309	23%	**2.9**	2.9
Separate accounts	439	21%	**2.2**	1.4
Side-cars	163	24%	**0.9**	1.3
Johnson	N/A	N/A	**8.2**	4.5
Canada				
THP1 Canada	4	16%	**0.2**	0.4
THP2 Canada	44	15%	**0.6**	0.8
THP3 Canada	99	14%	**1.0**	1.4
Syndicated	34	13%	**0.3**	0.1
Total	**$ 1,177**		**$ 18.9**	**$ 15.8**

3.2 Adjusted Financial Information

The following information reflects how the Company evaluates ongoing performance. The Company has prepared the Adjusted Financial Information set out below to generate the key business performance metrics of Adjusted Base Revenues, Adjusted Base EBITDA, Adjusted EBITDA, and Adjusted Net Income *(refer to Section 8.2, Supplementary Support for Financial Review, Table 36: Adjusted Net Income Statement in Canadian Dollars for details of the financial results in Canadian dollars).*

In preparing the Adjusted Financial Information, management has eliminated both Non-Recurring and Non-Cash Items as detailed in *Section 7, Appendix – Reconciliations, Table 14: Net Income (Loss) as shown in the Consolidated Financial Statements, Table 15: Reconciliation of Net Income to Adjusted Net Income and Table 16: Reconciliation of Investment Income from Financial Statements*.

Table 2: Selected Adjusted Income Statement Information

(in thousands of U.S. dollars, except for per share amounts)

For the Periods Ended September 30	Three Months			Nine Months		
	2015	**2014**	**Variance**	**2015**	**2014**	**Variance**
Contractual Fees	**$ 7,281**	$ 6,838	$ 443	**$ 17,905**	$ 14,394	$ 3,511
General Partner Distributions	**320**	358	(38)	**975**	1,359	(384)
Investment Income – THP	**5,400**	7,367	(1,967)	**18,477**	34,953	(16,476)
Investment Income – TAH	**7,534**	5,235	2,299	**22,189**	12,810	9,379
Investment Income – TLC	**309**	42	267	**754**	42	712
Investment Income – TLR	**1**	–	1	**3**	–	3
Interest Income	**28**	87	(59)	**47**	115	(68)
Adjusted Base Revenues	**20,873**	19,927	946	**60,350**	63,673	(3,323)
Salaries and Benefits	**3,099**	2,568	(531)	**8,549**	6,282	(2,267)
Professional Fees	**539**	516	(23)	**1,575**	1,719	144
Directors' Fees	**43**	65	22	**322**	284	(38)
General and Administration	**618**	1,140	522	**2,030**	2,411	381
Non-Controlling Interest	**1,180**	848	(332)	**2,285**	1,331	(954)
Adjusted Base Operating Expenses	**5,479**	5,137	(342)	**14,761**	12,027	(2,734)
Adjusted Base EBITDA	**15,394**	14,790	604	**45,589**	51,646	(6,057)
Annual Incentive Plan	**(1,682)**	(1,265)	(417)	**(4,570)**	(3,266)	(1,304)
Investment Income – TAH Fair Value Adjustment	**12,087**	5,357	6,730	**45,177**	16,312	28,865
Performance Fees	**37**	9	28	**47**	39	8
Performance Fee-Related Bonus Pool (LTIP)	**(641)**	(852)	211	**(1,750)**	(1,649)	(101)
Adjusted EBITDA	**25,195**	18,039	7,156	**84,493**	63,082	21,411
Stock Option Expense	**(516)**	(116)	(400)	**(863)**	(808)	(55)
Interest Expense	**(7,118)**	(5,556)	(1,562)	**(19,381)**	(14,527)	(4,854)
Amortization Expense	**(872)**	(776)	(96)	**(2,803)**	(1,475)	(1,328)
Adjusted Net Income Before Taxes	**16,689**	11,591	5,098	**61,446**	46,272	15,174
Income Tax Expense	**(4,692)**	92	(4,784)	**(11,319)**	(6,326)	(4,993)
Adjusted Net Income	**$ 11,997**	$ 11,683	$ 314	**$ 50,127**	$ 39,946	$ 10,181
Adjusted Basic Earnings Per Share	**$ 0.12**	$ 0.13	$ (0.01)	**$ 0.54**	$ 0.44	$ 0.10
Adjusted Diluted Earnings Per Share	**$ 0.10**	$ 0.11	$ (0.01)	**$ 0.45**	$ 0.36	$ 0.09
Weighted Average Shares Outstanding – Basic	**97,311,968**	90,973,738	6,338,230	**92,838,561**	90,856,450	1,982,111
Weighted Average Shares Outstanding – Diluted	**115,916,032**	109,571,512	6,344,520	**111,353,101**	109,453,436	1,899,665

Adjusted Base Revenue

- **Contractual Fees** increased by $3.5 million or 24% to $17.9 million for nine months ended September 30, 2015, compared to $14.4 million for nine months ended September 30, 2014. In Q3 2015, Contractual Fees increased by 6% or $0.4 million to $7.3 million compared to $6.8 million for Q3 2014. The increase in the quarterly and year-to-date contractual fees is primarily due to the inclusion of Johnson's Contractual Fees only for a portion of the period in 2014, from April 15 to September 30, 2014. For the nine months ended September 30, 2015, Johnson generated $8.2 million of Contractual Fees, as compared to $4.5 million from April 15 to September 30, 2014. Excluding Johnson, Contractual Fees were largely consistent with the same period in the prior year (refer to Section 4.6 Private Funds and Advisory for details).

- **General Partner Distributions** are earned exclusively on THP3 Canada and are based on prescribed formulas within the Limited Partnership Agreement. For the nine months ended September 30, 2015, General Partner Distributions decreased by $0.4 million or 28% to $1.0 million compared to $1.4 million for the same period in 2014. The decrease was as a result of the fund's investment period ending in March 2014 and foreign exchange loss. For the three months ended September 30, 2015, General Partner Distributions of $0.3 million (C$0.4 million) were consistent with the same period in the prior year (Q3 2014 – $0.3 million (C$0.4 million)).

- **Investment Income – Tricon Housing Partners** decreased by $16.5 million or 47% to $18.5 million for the first nine months of 2015 compared to $35.0 million for the same period in 2014. In Q3 2015, Investment Income from THP decreased by 27% or $2.0 million to $5.4 million compared to $7.4 million for Q3 2014. The decrease was due to lower investment income from THP1 US and THP3 Canada, as a result of lower invested capital as distributions were received, offset by higher investment income generated by separate accounts and side-cars.

- **Investment Income – Tricon American Homes** increased by $9.4 million or 73% to $22.2 million for the nine months ended September 30, 2015, from $12.8 million for the same period in 2014. In Q3 2015, Investment Income from TAH increased by 44% or $2.3 million to $7.5 million compared to $5.2 million for Q3 2014. The portfolio grew 46% to 6,827 homes as at September 30, 2015, compared to 4,682 homes as at September 30, 2014. The in-place occupancy increased by 8% to 91% as at September 30, 2015, compared to 83% as at September 30, 2014. Year-to-date Operating Margin decreased to 60% as at September 30, 2015, when compared to full-year Operating Margin of 63% in 2014. Excluding approximately $1 million of one-time accruals and adjustments, TAH Investment Income would have been approximately $8.5 million in Q3, with Operating Margin of approximately 60% versus 56% reported in Q3 (refer to Section 4.3, Tricon American Homes for details).

- **Investment Income – Tricon Lifestyle Communities** was $0.8 million for the nine months ended September 30, 2015, and $0.3 million for Q3 2015 compared to $0.04 million for the corresponding periods in the prior year. Investment Income increased as a result of a full nine months contribution from Longhaven and additional income generated from Apache MHP (refer to Section 4.4, Tricon Lifestyle Communities).

- **Interest Income** consists of interest earned on cash, short-term and other investments and preferred return received from special contributions to private funds.

Adjusted Base Operating Expenses

- **Salaries and Benefits** for the nine months ended September 30, 2015, rose by $2.3 million or 36% to $8.5 million compared to $6.3 million in the same period in 2014. In Q3 2015, Salaries and Benefits increased by 21% or $0.5 million to $3.1 million compared to $2.6 million for Q3 2014. An increase of $1.5 million for the year-to-date Salaries and Benefits was a result of the acquisition of a majority interest in Johnson on April 15, 2014. The remaining variance was a result of hiring new employees and salary increases in the past year.

- **Professional Fees and Directors' Fees** were largely consistent with the same period in the prior year. The directors have the right to participate in the Company's Deferred Share Unit ("DSU") Plan and receive all or a portion of their compensation in the form of DSUs. All four independent directors participate in the plan and the DSUs held are fair valued at the end of each quarter.

- **General and Administration Expense** was largely consistent with the same period in the prior year.

- **Non-Controlling Interest in Johnson** was $2.3 million for the nine months ended September 30, 2015. The non-controlling interest in Johnson for Q3 2015 increased by $0.3 million or 39% to $1.2 million from $0.8 million in Q3 2014 due to an increase in Johnson's revenues (refer to 4.6 Private Funds and Advisory for details).

Adjusted EBITDA

- **Unrealized Investment Income – TAH Fair Value Adjustment** includes fair value adjustment on homes owned by TAH, less imputed performance fees, non-controlling interest and prepaid adjustments. Unrealized Investment Income increased by $28.9 million in the nine months ended September 30, 2015, to $45.2 million, compared to $16.3 million in the same period in 2014. In Q3 2015, Unrealized Investment Income from TAH increased by 126% or $6.7 million to $12.1 million compared to $5.4 million for Q3 2014. In the first nine months of 2015, Tricon obtained Broker Price Opinions ("BPOs") for 2,703 homes (42% of total homes valued) in Charlotte, North Carolina; Southeast Florida; Atlanta, Georgia and Northern California (refer to Section 4.3, Tricon American Homes for details).

- **Performance Fees** were nominal in the nine months ended September 30, 2015 and in line with expectations.

- **Annual Incentive Plan** increased by $1.3 million or 40% to $4.6 million for the nine months ended September 30, 2015 compared to $3.3 million for the same period in 2014. In Q3 2015, AIP increased by 33% or $0.4 million to $1.7 million compared to $1.3 million for Q3 2014. This is a result of an increase in Adjusted Base EBITDA for the period after excluding THP1 US investment Income (refer to Section 8.2, Supplementary Support for Financial Review, Table 22: Compensation Plans for details).

- **Performance Fee-Related Bonus Pool (LTIP)** for the nine months ended September 30, 2015 consists of LTIP of approximately $1.7 million related to the grant of five-year DSUs in respect of Investment Income earned on THP1 US. The five-year DSUs are expensed on a graded basis over a six-year period.

Adjusted Net Income

- **Stock Option Expense** was largely consistent with the same period in the prior year (refer to Section 8.2, Supplementary Support for Financial Review, Table 24: Stock Options for details).

- **Interest Expense** represents interest incurred for the corporate revolving credit facility and two convertible debentures, as well as the Company's share of the interest expenses incurred on the Tricon American Homes and Tricon Lifestyle Communities borrowings. Interest Expense increased by $4.9 million or 33% to $19.4 million for the nine months ended September 30, 2015, compared to $14.5 million for the same period in 2014. In Q3 2015, Interest Expenses increased by 28% or $1.6 million to $7.1 million compared to $5.6 million for Q3 2014. The increase was primarily due to higher borrowings under the TAH debt facilities and the Company's corporate credit facility (refer to Section 5.4, Interest Expense, Table 13: Interest Expense for details).

- **Amortization** represents depreciation on fixed assets and amortization of placement fees, rights to performance fees on private investment vehicles and intangible assets. Amortization expense increased by $1.3 million to $2.8 million for the nine months ended September 30, 2015, compared to $1.5 million for the same period in 2014 due to the amortization of intangible assets related to the Johnson acquisition.

- **Income Tax Expense** includes corporate income tax as reported in the financial statements as well as the income tax for non-consolidated subsidiaries. Income Tax Expense for the nine months ended September 30, 2015, was $11.3 million or 79% higher than $6.3 million in the same period in 2014. The increase was attributable to higher Adjusted Net Income before taxes. In Q3 2015, Income Tax Expense was $4.7 million compared to $0.1 million recovery for Q3 2014.

Earnings Per Share

- For the nine months ended September 30, 2015, Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share increased by 23% to $0.54 and $0.45, compared to $0.44 and $0.36, respectively, for the same period in 2014. In Q3 2015, Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share decreased by 8% and 9% to $0.12 and $0.10, compared to $0.13 and $0.11 in the comparable quarter. The Weighted Average Basic and Diluted Shares Outstanding for the nine months ended September 30, 2015, were 92.8 million and 111.4 million, respectively, as compared to 90.9 million and 109.5 million in the same period in 2014. The Weighted Average Basic and Diluted Shares Outstanding for Q3 2015 were 97.3 million and 115.9 million, respectively, as compared to 91.0 million and 109.6 million in the same period in 2014 (refer to Section 8.2, Supplementary Support for Financial Review, Table 23: Shares Outstanding for details).

More information related to Tricon's historical financial information can be found in Table 17 and Table 18 in Section 8.1, Selected Historical Financial Information.

Subsequent Events

On October 6, 2015, the Company renewed its annual Normal Course Issuer Bid ("NCIB") under the same terms as the previous NCIB. Between October 1 and November 11, 2015, the Company acquired 516,400 shares under its current and previous NCIB at a weighted average price of C$10.65 for a total of C$5.5 million.

On October 19, 2015, the Company announced its intent to redeem in full all of its currently outstanding 6.375% convertible unsecured subordinated debentures due August 31, 2017 (the "Debentures"), and has issued a notice of such redemption to the holders of the Debentures. The Debentures will be redeemed on November 30, 2015 and the redemption price will be paid by the issuance of common shares of the Company in accordance with the terms of the Debentures.

On October 30, 2015, TLC completed the acquisition of a portfolio of three age-restricted communities in the Phoenix MSA which is comprises of 617 residential spaces. The acquisition price of $25 million was partially financed by Fannie Mae loans totaling $15.9 million with terms of 5 years and a fixed rate of approximately 3.8%.

On November 11, 2015, the Company declared a dividend of six cents per share in Canadian dollars payable on January 15, 2016 to shareholders of record on December 31, 2015, following approval from the Board of Directors.

4. Segment Review

4.1 Segment Financial Information

Segment information is provided below for Adjusted EBITDA as generated from the Company's various business segments, including Private Funds and Advisory, Tricon Housing Partners, Tricon American Homes and Tricon Lifestyle Communities. Specific overhead expenses are allocated to the corresponding business line, while non-specific expenses are allocated to each business segment based on the segment's year-to-date base revenue as a percentage of the total.

Table 3: Quarterly Financial Information by Segment

(in thousands of U.S. dollars)

	Principal Investing				
For the Three Months Ended September 30, 2015	**Tricon Housing Partners**	**Tricon American Homes**	**Tricon Lifestyle Communities**	**Private Funds and Advisory**	**Total**
Adjusted Base Revenues	$ 5,400	$ 7,534	$ 309	$ 7,630	$ 20,873
Overhead Allocation	(900)	(1,254)	(51)	(2,094)	(4,299)
Non-Controlling Interest (Johnson)	–	–	–	(1,180)	1,180)
Adjusted Base EBITDA	**4,500**	**6,280**	**258**	**4,356**	**15,394**
Annual Incentive Plan	(534)	(743)	(30)	(375)	(1,682)
Investment Income – Fair Value Adjustment	–	12,087	–	–	12,087
Performance Fee	–	–	–	37	37
Performance Fee-Related Bonus Pool (LTIP)	(622)	–	–	(19)	(641)
Adjusted EBITDA	**$ 3,344**	**$ 17,624**	**$ 228**	**$ 3,999**	**$ 25,195**
Segment Adjusted Base EBITDA/ Total Adjusted Base EBITDA	29.2%	40.8%	1.7%	28.3%	100.0%
Segment Adjusted EBITDA/ Total Adjusted EBITDA	13.2%	70.0%	0.9%	15.9%	100.0%
For the Three Months Ended September 30, 2014					
Adjusted Base Revenues	$ 7,367	$ 5,235	$ 42	$ 7,283	$ 19,927
Overhead Allocation	(1,423)	(1,010)	(8)	(1,848)	(4,289)
Non-Controlling Interest (Johnson)	–	–	–	(848)	(848)
Adjusted Base EBITDA	**5,944**	**4,225**	**34**	**4,587**	**14,790**
Annual Incentive Plan	(539)	(383)	(3)	(340)	(1,265)
Investment Income – Fair Value Adjustment	–	5,357	–	–	5,357
Performance Fees	–	–	–	9	9
Performance Fee-Related Bonus Pool (LTIP)	(847)	–	–	(5)	(852)
Adjusted EBITDA	**$ 4,558**	**$ 9,199**	**$ 31**	**$ 4,251**	**$ 18,039**
Segment Adjusted Base EBITDA/ Total Adjusted Base EBITDA	40.4%	28.6%	N/A	31.0%	100.0%
Segment Adjusted EBITDA/ Total Adjusted EBITDA	25.4%	51.0%	N/A	23.6%	100.0%
Adjusted EBITDA (Variance $)	**$ (1,214)**	**$ 8,425**	**$ 197**	**$ (252)**	**$ 7,156**
Adjusted EBITDA (Variance %)	**(27%)**	**92%**	**N/A**	**(6%)**	**40%**

Table 4: Year-to-Date Financial Information by Segment

(in thousands of U.S. dollars)

	Principal Investing				
For the Nine Months Ended September 30, 2015	**Tricon Housing Partners**	**Tricon American Homes**	**Tricon Lifestyle Communities**	**Private Funds and Advisory**	**Total**
Adjusted Base Revenues	$ 18,477	$ 22,189	$ 754	$ 18,930	$ 60,350
Overhead Allocation	(3,127)	(3,755)	(128)	(5,466)	(12,476)
Non-Controlling Interest (Johnson)	–	–	–	(2,285)	(2,285)
Adjusted Base EBITDA	**15,350**	**18,434**	**626**	**11,179**	**45,589**
Annual Incentive Plan	(1,620)	(1,946)	(66)	(938)	(4,570)
Investment Income – Fair Value Adjustment	–	45,177	–	–	45,177
Performance Fees	–	–	–	47	47
Performance Fee-Related Bonus Pool (LTIP)	(1,726)	–	–	(24)	(1,750)
Adjusted EBITDA	**$ 12,004**	**$ 61,665**	**$ 560**	**$ 10,264**	**$ 84,493**
Segment Adjusted Base EBITDA/ Total Adjusted Base EBITDA	33.7%	40.4%	1.4%	24.5%	100.0%
Segment Adjusted EBITDA/ Total Adjusted EBITDA	14.2%	73.0%	0.7%	12.1%	100.0%
For the Nine Months Ended September 30, 2014					
Adjusted Base Revenues	$ 34,953	$ 12,810	$ 42	$ 15,868	$ 63,673
Overhead Allocation	(5,218)	(1,912)	(6)	(3,560)	(10,696)
Non-Controlling Interest (Johnson)	–	–	–	(1,331)	(1,331)
Adjusted Base EBITDA	**29,735**	**10,898**	**36**	**10,977**	**51,646**
Annual Incentive Plan	(1,932)	(707)	(2)	(625)	(3,266)
Investment Income – Fair Value Adjustment	–	16,312	–	–	16,312
Performance Fees	–	–	–	39	39
Performance Fee-Related Bonus Pool (LTIP)	(1,629)	–	–	(20)	(1,649)
Adjusted EBITDA	**$ 26,174**	**$ 26,503**	**$ 34**	**$ 10,371**	**$ 63,082**
Segment Adjusted Base EBITDA/ Total Adjusted Base EBITDA	57.6%	21.1%	N/A	21.3%	100.0%
Segment Adjusted EBITDA/ Total Adjusted EBITDA	41.6%	42.0%	N/A	16.4%	100.0%
Adjusted EBITDA (Variance $)	**$ (14,170)**	**$ 35,162**	**$ 526**	**$ (107)**	**$ 21,411**
Adjusted EBITDA (Variance %)	**(54%)**	**133%**	**N/A**	**(1%)**	**34%**

The financial and operational performances of the above business segments are discussed in detail in the following sections.

4.2 Tricon Housing Partners

Investments – Tricon Housing Partners decreased by $13.0 million to $304.1 million as at September 30, 2015, from $317.1 million as at December 31, 2014.

The decrease was caused by fair value adjustments and distributions received from THP co-investments offset by new investments added. THP1 US Co-Investment distributions received in the first nine months of 2015 were $52.6 million (68.4% of the total THP1 US distributions of $76.9 million) for a total of $124.7 million since August 2013 (refer to Section 8.2, Supplementary Support for Financial Review, Table 27: THP1 US Asset Overview for details). THP1 US projects remain on track to deliver approximately $250 million in gross cash flow to Tricon post Q3 2015 to 2018. THP3 Canada Co-Investment distributed $1.9 million (C$2.4 million) during the first nine months of 2015. The decrease in investments was offset by additional advances made to THP2 US Co-Investment, separate accounts and side-cars. (See Table 5: Summary of Investment – Tricon Housing Partners below for details.)

Table 5: Summary of Investment – Tricon Housing Partners

(in thousands of dollars)

		(in originating currency)				Investment at Fair Value (in U.S. dollars)	
	Currency	Tricon Commitment	Advances	Unfunded Commitment	Distributions	Sept. 30, 2015	Dec. 31, 2014
THP1 US	US	$ 226,775	$ 272,970	$ 19,120	$ 124,740	$ 213,765	$ 255,439
THP2 US	US	25,000	14,005	10,995	–	19,740	16,464
Cross Creek Ranch	US	14,400	12,673	1,727	14,005	8,456	9,787
Fulshear Farms	US	5,000	3,206	1,794	553	3,230	3,179
Grand Central Park	US	8,075	7,358	717	3,459	7,058	6,124
Trilogy at Verde River	US	10,350	5,789	4,561	1,509	6,775	4,325
Trilogy at Vistancia West	US	4,950	2,972	1,978	1,352	3,761	2,975
Trilogy Lake Norman	US	4,330	2,294	2,036	582	2,627	1,158
Arantine Hills	US	8,600	6,639	1,961	876	6,639	6,507
Viridian	US	25,400	23,272	2,128	476	23,272	–
Total US		**332,880**	**351,178**	**47,017**	**142,552**	**295,323**	**305,958**
THP3 Canada	CA	20,000	11,097	8,903	2,368	8,747	11,165
Total CA		**20,000**	**11,097**	**8,903**	**2,368**	**8,747**	**11,165**
Investments – THP						**$ 304,070**	**$ 317,123**

The following table shows the breakdown of investment income in THP by funds/investments.

Table 6: Investment Income Summary by Fund

(in thousands of U.S. dollars)

For the Periods Ended September 30	Three Months			Nine Months		
	2015	2014	Variance	2015	2014	Variance
THP1 US Co-Investment	**$ 4,551**	$ 6,429	$ (1,878)	**$ 15,320**	$ 29,974	$ (14,654)
THP2 US Co-Investment	**193**	512	(319)	**664**	1,409	(745)
THP3 Canada Co-Investment	**78**	287	(209)	**358**	2,135	(1,777)
Separate Accounts/Side-Cars	**578**	139	439	**2,135**	1,435	700
Total Investment Income – THP	**$ 5,400**	$ 7,367	$ (1,967)	**$ 18,477**	$ 34,953	$ (16,476)

Investment Income - THP decreased by 27% or $2.0 million to $5.4 million in Q3 2015 compared to $7.4 million in Q3 2014. The decrease was largely driven by a lower investment balance of THP1 US as distributions were received and investments were realized; a fair value loss recognized in the investment in The New Home Company (a THP2 US investment) due to a lower market price; and a change in cash flow expectations due to a revised business plan for one project in THP3 Canada. The decrease was offset by higher investment income recognized by separate accounts and side-cars as a result of newly added investments in 2014 and 2015.

The following table outlines the units sold (since inception) and available inventory by market.

Table 7: Summary of Units by Market

As of September 30, 2015 (1)	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.)
U.S.										
Northern California	–	1,169	528	526	14,000	–	951	467	375	–
Southern California	–	2,035	315	72	11,000	–	16	279	12	–
Phoenix, Arizona	112	5,687	2,478	–	–	–	501	347	–	–
Austin, Texas	–	–	–	415	–	–	–	–	–	–
Dallas, Texas	178	2,873	–	365	–	61	17	–	–	–
Houston, Texas	668	8,620	–	–	–	220	1,260	–	–	–
Southeastern Florida	–	–	653	–	–	–	–	653	–	–
Charlotte, North Carolina	12	123	1,058	–	–	–	–	43	–	–
Atlanta, Georgia	–	324	760	69	8,998	–	–	382	69	8,998
Total U.S.	**970**	**20,831**	**5,792**	**1,447**	**33,998**	**281**	**2,745**	**2,171**	**456**	**8,998**
Canada										
Vancouver, British Columbia	–	–	–	1,183	96,217	–	–	–	768	31,062
Calgary, Alberta	98	2,514	486	901	171,650	45	820	272	424	–
Edmonton, Alberta	183	1,599	–	–	–	116	936	–	–	–
Toronto, Ontario	–	–	–	3,570	108,780	–	–	–	3,493	77,259
Total Canada	**281**	**4,113**	**486**	**5,654**	**376,647**	**161**	**1,756**	**272**	**4,685**	**108,321**
Total Units as at Sept. 30, 2015	**1,251**	**24,944**	**6,278**	**7,101**	**410,645**	**442**	**4,501**	**2,443**	**5,141**	**117,319**
Total Units as at Dec. 31, 2014	**1,166**	**22,299**	**5,896**	**7,169**	**345,723**	**312**	**3,211**	**1,972**	**4,855**	**124,431**

(1) Refer to Section 8.2, Supplemental Support for Financial Review, Table 25: Detailed Units by Investment/Market.

(2) Units sold and remaining shown above include actively managed funds/investments only (THP1 US, THP2 US, THP1 Canada, THP2 Canada, THP3 Canada, Separate Accounts and Side-cars).

U.S. Investments

THP1 US

In the Greater Bay Portfolio, Faria Preserve is currently under contract with a large public homebuilder and received two key anticipated approvals during the quarter which will help facilitate closing the project in the first half of 2016, as per the current business plan. As a result of these two approvals, the developer was also able to submit plans for the required grading permits.

Vida, the second condominium development in the San Francisco Portfolio, has sold and closed all 114 units as of the end of Q3 2015. The developer is currently marketing the project's 14,000 square feet of retail space and has several interested groups.

Rockwell, the third condominium development in the San Francisco Portfolio, recorded 47 sales in Q3 2015 at an average purchase price of approximately $1,300 per square foot, representing an average increase of $100 per square foot from Q2 2015.

The remaining projects in the fund remain on track with current business plans.

(Refer to Section 8.2, Supplementary Support for Financial Review, Table 25: Detailed Units by Investment/Market for details.)

THP2 US

New home sales continue to be generated from existing investments in Villa Metro (Santa Clarita, California), Santa Rita (Phoenix, Arizona), Calabasas Village (Calabasas, California) and Trilogy at Vistancia West (Phoenix, Arizona).

The remaining investments in the fund are performing in line with existing business plans. In late Q3, Smyrna Grove (Atlanta, Georgia) held its grand opening event and received strong interest from local realtors and potential purchasers. Trilogy Lake Norman (Charlotte, North Carolina) commenced pre-sales in July, selling 43 homes, and is expected to build further sales momentum with an official launch in Q4 2015. The remaining fund investments are generally targeted for launches in 2016 with cash distributions expected to be made to fund investors in 2016 and beyond.

Separate Accounts and Side-cars

On July 16, 2015, Tricon closed a $141.4 million investment in an existing active 2,083-acre mixed-use master-planned community located in Arlington, Texas. The Viridian property will be developed by an affiliate of Johnson and is situated 20 miles west of downtown Dallas and 15 miles east of downtown Fort Worth, and just south of the Dallas-Fort Worth airport. Tricon has committed to invest $25.4 million in the project and an institutional investor has committed $116.0 million.

Home sales at Cross Creek Ranch continued during the quarter, reaching 61 homes in Q3 and 256 sales in the nine months ended September 30, 2015. Home sales prices, on a per square foot basis, dropped slightly from comparable 2014 sales. The project continues to benefit from strong commercial sales interest which is offsetting the decline in residential sales. There are currently 47.7 acres of commercial land under contract for $12.9 million. The developer expects to sell an additional 23.3 acres at prices above the current budget by Q1 2016. While lot sales to builders are below 2014 figures as a result of significant year-end 2014 deliveries to homebuilders, the commercial sales proceeds and municipal bond revenues are expected to continue to provide meaningful cash flow for the project in late 2015.

At Trilogy at Vistancia West, home sales continued in Q3 with 28 new sales. The project has now sold 132 homes and closing will commence later this year.

At Trilogy Lake Norman, construction continues on initial onsite infrastructure and the homebuyer interest list continues to grow for the project, with 43 pre-sales achieved year-to-date. The development team has delivered 111 lots on the first selling phase to the sales team and a formal grand opening event will take place in Q4. First home deliveries to buyers are expected to take place in 2016.

The remaining separate accounts of Grand Central Park, Fulshear Farms and Trilogy at Verde River continue to make progress as per the existing business plans. It is expected that sales at both Grand Central Park (to homebuilders) and at Trilogy at Verde River (to homebuyers) will commence in early 2016.

Canadian Investments

In the Greater Vancouver market, Metrotown's Silver Tower in Burnaby, British Columbia, is complete and substantially all units have been closed. Overall, the project was completed on budget. The planning work for the second phase of the project, Maywood, is on schedule in anticipation of a late–2016 sales launch. In the Richmond market, construction of Phase One of River Park Place is proceeding according to schedule, with occupancy expected in mid-2016. The sales launch of Phase Two is targeted for Q2 2016 and should benefit from renewed strength and homebuyer interest in the Richmond Oval Village submarket.

In Alberta, consumer confidence remains suppressed as energy prices have yet to rebound. New home sales and absorption have slowed in the first nine months of 2015 compared to the same period in 2014. Despite the unfavourable market conditions, Mahogany (THP3 Canada investment), the top-selling master plan in Calgary in 2014 (Source: Urban Development Institute – Alberta Division), has continued to sell at a relatively healthy pace with strong activity in the entry-level housing segment. The developer is in the process of determining a 2016 development program that will align with the current market conditions and buyer demand.

While Tricon is actively monitoring the decline in the energy markets and related employment losses in the Alberta markets, the Company believes that the location of each project combined with conservative investment structures will mitigate the potential downside of any particular Alberta fund investment. It should be noted that the Company's total balance sheet exposure to Alberta is only $2.9 million.

In Toronto, construction at the two remaining active Toronto projects, Five Condos and Massey Tower, continues to progress generally in line with approved budgets. First occupancies began at Five Condos in Q3 2015 with final occupancy and closing targeted for early mid-2016. Massey Tower, a 60-storey residential tower, is currently under construction.

Tricon Investments Partners

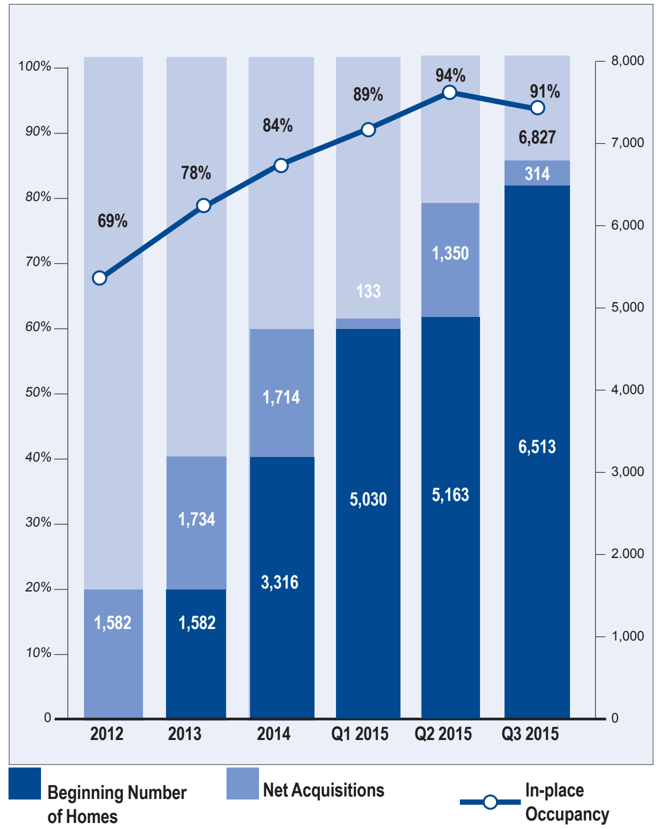
The Company also launched the initial public offering of Tricon Investment Partners ("TIP"), which was subsequently withdrawn due to adverse market conditions. TIP was created to replicate Tricon's land and homebuilding private fund business through a pure-play public company to be externally managed by Tricon. At the current time, the Company will continue to fund its THP business vertical using its balance sheet and third party private capital.

4.3 Tricon American Homes

In Q3 2015, Tricon American Homes acquired 314 net new homes, growing the portfolio by 5% since June 30, 2015, and bringing the total number of homes owned to 6,827. The graph on the right shows the acquisition schedule since inception through the end of Q3 2015. The homes acquired in Q3 2015 are located in Charlotte, Columbia, Houston, Indianapolis and Tampa, with Indianapolis being a new market with strong economic and demographic trends where Tricon is able to buy well located, high–quality homes at attractive cap rates.

During the nine months ended September 30, 2015, Tricon American Homes' total number of homes increased by 1,797 or 36% since December 31, 2014, mainly due to a portfolio acquisition of 1,385 single-family rental homes on April 15, 2015. The portfolio acquisition allowed Tricon to gain incremental scale in its existing markets of Houston, San Antonio and Charlotte, while expanding into Dallas, Texas and Columbia, South Carolina, two new markets that Tricon views as having strong growth prospects.

Figure 3: Tricon American Homes Acquisitions and Occupancy



(1) Refer to Table 32: Summary of Tricon American Homes Metrics in Section 8.2 for detailed historical data.

TAH's in-place occupancy rate increased to 91% as at September 30, 2015, compared to 83% as at September 30, 2014. Occupancy for homes owned six months or more increased by 1% to 93%. In-place occupancy as at September 30, 2015, decreased by 3% compared to 94% as at June 30, 2015, while occupancy for homes owned six months or more decreased by 1% compared to 94% as at June 30, 2015. The sequential decrease was a result of re-starting the acquisition program following a period of stabilization after the portfolio acquisition in Q2, as well as repositioning of homes acquired in the portfolio. *(Refer to Section 8.2, Supplementary Support for Financial Review, Table 31: Tricon American Homes Summary Statistics of Rental Portfolio for details.)*

Financial Performance

Investment – Tricon American Homes increased from $344.2 million as at December 31, 2014, to $384.0 million as at September 30, 2015. The increase was primarily driven by growth in the number of homes and fair value gains.

In Q3 2015, TAH valued the majority of its properties using the Home Price Indexes ("HPI") Methodology. HPI is calculated based on a repeat-sales model using large real estate information databases compiled from public records. The change in HPI for the current period is then applied to the previously recorded fair value of the investment properties. For the investment properties that were valued using HPI, the fair value increased by 1.3% over the fair value as at June 30, 2015. In Q3, TAH also obtained Broker Price Opinions ("BPO") for 114 homes purchased between January 1, 2014 and March 31, 2014 in Atlanta, Tampa, and Houston.

Invested capital decreased from $273.6 million as at December 31, 2014, to $273.1 million as at September 30, 2015. The decrease was primarily the result of equity repatriated from the securitization transaction described below and credit facility refinancing, offset by the equity Tricon advanced to TAH to fund the portfolio acquisition and individual property acquisitions.

Financing Arrangement

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 interest in a loan secured by 3,505 single-family properties contributed from our 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. In relation to the closing of the securitization transaction, TAH incurred $12.7 million of transaction costs. Net of transaction costs, TAH used the transaction proceeds to repay $272.9 million of the TAH credit facility and received $68.7 million (net of $6.9 million paid to non-controlling interests), out of which $60 million was repatriated to Tricon and the remaining was reserved as working capital.

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 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. The Company has incurred gross interest expense of $2.8 million since the closing date through September 30, 2015, representing a weighted-average interest rate of 2.08%, which is inclusive of monthly servicing fees.

In addition to the securitized loan, Tricon American Homes finances the majority of the remaining existing homes and new acquisitions through a dedicated credit facility of $300 million. The credit facility has an advance rate of 70% loan to cost, bears interest rate at one month LIBOR plus 300 basis points (with a 25 basis point LIBOR floor). The balance drawn as of September 30, 2015 was $218.4 million. This credit facility is secured by TAH's ownership interest in the single-family rental homes with the lenders having no direct financial recourse to the Company.

(Refer to Section 8.2, Supplementary Support for Financial Review, Table 28: Summary of Tricon American Homes Balance Sheet for details).

Rental Revenue increased 54% over Q3 2014 to $19.2 million in Q3 2015 as a result of growth in the portfolio.

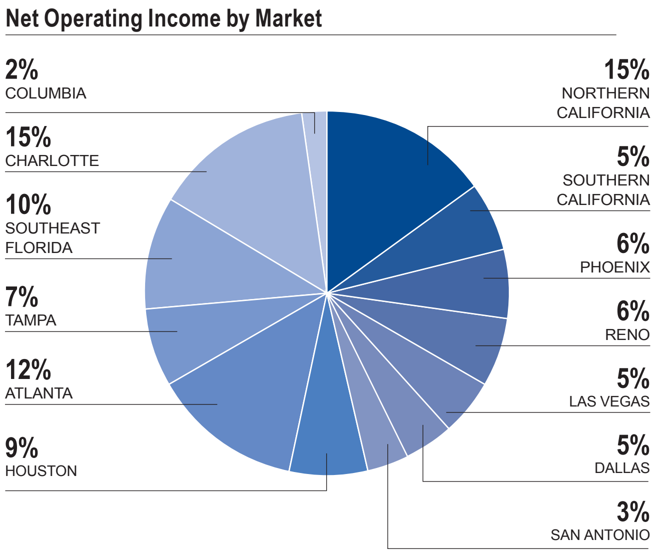
Net Operating Income rose by $2.5 million or 30% to $10.8 million in Q3 2015 versus $8.3 million in Q3 2014, and the year-to-date Operating Margin decreased to 60% compared to Operating Margin of 63% in 2014. The decrease in margin was attributed to various factors, including one-time property-level accruals, as well as a change in portfolio mix with the ownership of more homes in jurisdictions with higher property tax rates (in particular, Texas), and expenses related to improving the credit quality of the tenant base of the portfolio acquired earlier this year. Excluding approximately $1 million of one-time accruals and adjustments, TAH Investment Income would have been approximately $8.5 million in Q3, with Operating Margin of approximately 60% versus 56% reported in Q3, while Operating Margin for the year-to-date period would have remained at 60% (refer to the graph on the next page for a summary of TAH's operational results by market).

Asset Management Fee Expense was $2.4 million in Q3 2015 and represented approximately 1% of annualized AUM which is in line with management's expectation. Asset Management Fees are paid to the asset management subsidiary, TAH Operations LLC, which is majority-owned by Tricon.

TAH Operations LLC Income was $1.1 million in Q3 2015 and management does not expect this to be a meaningful driver of profitability over the next several years.

Refer to Section 8.2, Supplementary Support for Financial Review, Table 29: Tricon American Homes Income Statements and Table 30: Tricon American Homes Reconciliation to Financial Statements for details.

Figure 4: Tricon American Homes Operational Results by Market



Geography	YTD 2015 NOI (US$000)	In-Place Occupancy	Occupancy (Homes Owned 6+ Months)	Number of Rental Homes
Northern California	$ 4,468	98%	98%	633
Southern California	1,630	92%	92%	306
Phoenix	1,818	97%	97%	398
Reno	1,806	96%	96%	251
Las Vegas	1,502	94%	94%	273
Dallas	1,525	91%	N/A	376
San Antonio	894	82%	81%	197
Houston	2,795	89%	79%	790
Tampa	2,040	85%	93%	407
Southeast Florida	3,236	96%	96%	602
Charlotte	4,641	90%	93%	1,264
Columbia	740	74%	N/A	332
Atlanta	3,740	93%	93%	841
Indianapolis	–	89%	N/A	89
Total/Weighted Average	**$ 30,835**	**91%**	**93%**	**6,759**
Homes Held for Sale	–	–	–	68
Total/Weighted Average	**$ 30,835**	**91%**	**93%**	**6,827**

4.4 Tricon Lifestyle Communities

In Q2 2015, Tricon, through its partnership with Cobblestone, acquired an MHC located in Apache Junction, Arizona ("Apache MHP"). Apache MHP comprises 17.5 acres of land and 192 residential spaces, of which 88% were occupied as at September 30, 2015. Similar to Longhaven, Apache MHP is classified as a 55+ age-restricted community that has the potential to be improved over time through a capital expenditure program. Tricon and Cobblestone assumed the existing mortgage debt provided by Fannie Mae at 57% loan-to-value with a remaining term of 7.5 years and fixed rate of 4.36%.

On October 23, 2015, Tricon and Cobblestone closed on a supplemental Fannie Mae loan on Apache MHP of $0.8 million with a term of 3 years and a fixed rate of 5.01%.

Below is a summary of the two existing TLC investments and their financing arrangements as at September 30, 2015:

Table 8: Summary of TLC Investments

Property	Location	Acres	Sites	In-place Occupancy	Average Gross Monthly Rent per Site
Longhaven	Phoenix, Arizona	38.0	314	90%	$ 497
Apache MHP	Phoenix, Arizona	17.5	192	88%	406
Total/Average		55.5	506	89%	$ 462

Property	Purchase Price	LTV Ratio	Lender	Interest Rate	Maturity Date	Outstanding Debt as at Sept. 30, 2015
Longhaven	$ 14,120	75%	Freddie Mac	4.17% fixed	August 2024	$ 10,575
Apache MHP	9,250	57%	Fannie Mae	4.36% fixed	September 2022	5,225
Total/Average	23,370	68%		4.23% fixed		$ 15,800

Investment Income – Tricon Lifestyle Communities increased by 29% to $0.31 million in Q3 2015 compared to $0.24 million for Q2 2015 mainly due to income generated by the newly acquired Apache MHP property. Since the Apache MHP acquisition, the Investment Properties balance increased by $0.6 million (an additional $0.3 million since June 30, 2015) as a result of a scheduled capital expenditures program (refer to Section 8.2, Supplementary Support for Financial Review, Table 33, Table 34 and Table 35, Summary of Tricon Lifestyle Communities Financial Information for details).

Rental Revenue for Q3 2015 was $0.7 million, which was $0.2 million higher than Rental Revenue received in Q2 2015. The increase resulted from additional revenue generated by Apache MHP in Q3 2015. The in-place occupancy rate as at September 30, 2015 was at 89%, which was 2% higher than June 30, 2015.

Net Operating Income for Q3 2015 was $0.4 million, a $0.1 million or 31% increase from $0.3 million in Q2 2015. This increase was a result of the acquisition of Apache MHP completed in Q2 2015. The year-to-date Operating Margin of 2015 was 63.0%, an increase of 0.5% compared to 62.5% as at June 30, 2015, because the newly acquired Apache MHP receives relatively more utilities reimbursements compared to Longhaven.

On August 10, 2015, TLC entered into a binding contract to purchase a portfolio of five age-restricted communities in the Phoenix MSA which comprises approximately 1,360 residential spaces. The transaction is expected to close in Q4 2015 upon meeting conditions precedent in relation to the assumption of existing debt. The acquisition price is $34.3 million and the debt to be assumed is $22.0 million.

On October 30, 2015, TLC completed the acquisition of a portfolio of three age-restricted communities in the Phoenix MSA which is comprises of 617 residential spaces. The acquisition price of $25 million was partially financed by Fannie Mae loans totaling $15.9 million with terms of 5 years and a fixed rate of approximately 3.8%.

4.5 Tricon Luxury Residences

United States

TLR US secured its first development opportunity in Dallas, Texas: a 22-storey building comprising 183 units, situated on 1.3 acres of land adjacent to the exclusive Highland Park neighbourhood. The property is approximately three miles from downtown Dallas, and the surrounding area features numerous high-end shopping, dining and entertainment amenities, including Knox Street and Highland Park Village. The project will be positioned as a high-end rental offering with large units designed with top-of-the-line finishes and a feature-rich amenity package intended to attract affluent renters looking for a low-maintenance lifestyle. Closing of the project partnership documentation took place in early Q4 2015 and the start of building construction is expected to occur by year-end.

A second development has also been secured (and closed) in the fast-growing North Dallas submarket of Frisco that will feature a four-storey building with approximately 325 units. The property is located within five miles of the Legacy West mixed-use development and in close proximity to the North Dallas Tollway. The area is undergoing significant development activity, with relocation announcements by Toyota Financial Services and Liberty Mutual Insurance contributing to local growth prospects. Construction of the project is expected to commence in mid-2016.

Tricon and its development partner are also currently pursuing an active pipeline of investments in Dallas, Phoenix and San Diego that are projected to commence development in 2016.

Canada

TLR Canada secured its first development opportunity in downtown Toronto, a 50-storey tower located one block south of Bloor Street on Sherbourne Street called “The Selby”. Tricon has partnered with a major Canadian pension plan to form a C$54.4 million separate account on an 85/15 basis (Investor/Tricon). This project will be 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. The project will be positioned as a premium rental building offering the same level of amenities and suite finishes as a new high-end condominium with a focus on durable materials. Amenities will include an outdoor pool, terrace, gym and a number of multi-purpose lounge areas. The site is located in close proximity to Bloor Street and Sherbourne subway station which offers convenient access to both the midtown employment corridor and the Central Business District. Construction of the project has commenced, and is expected to be completed by 2019. The project is financed by a non-revolving loan of $14.6 million (C$19.5 million), which accrues interest at 4.2%. The remainder of the purchase price of $9.7 million (C$13 million) was funded on an 85/15 (Investor/Tricon) basis.

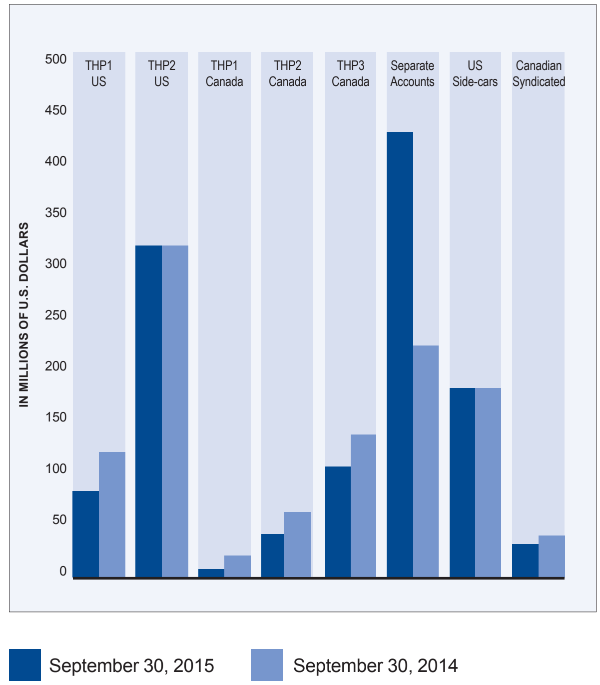
As at September 30, 2015, the project has incurred $13.9 million (C$18.6 million) of development costs, for total capitalized costs to date of $38.3 million (C$51.1 million).

4.6 Private Funds and Advisory

Private Funds and Advisory Assets Under Management increased by 12% or $128 million to $1,177 million compared to $1,049 million as at September 30, 2014. The increase was largely due to the closing of three separate account investments in Q4 2014 and 2015, offset by distributions made by THP1 US, Canadian funds and separate accounts (refer to the chart below for details of Private Funds and Advisory Assets Under Management as of September 30, 2015 and September 30, 2014).

For the nine months ended September 30, 2015, the completion and closing of units at DNA3 (a THP1 Canada and THP2 Canada investment) and the Silver Tower in the Metrotown portfolio (a THP3 Canada investment), the closing of 560 King West retail and office space (a THP1 Canada and THP2 Canada investment), and expansion of the construction facility at Mahogany (a THP3 Canada investment), led to meaningful distributions of $24.8 million (C$31.2 million), $30.7 million (C$38.7 million) and $19.4 million (C$24.4 million) for THP1 Canada, THP2 Canada and THP3 Canada, respectively.

Figure 5: Private Funds and Advisory Assets Under Management



The table below shows the Contractual Fees or General Distributions received by investments for the three and nine months ended September 30, 2015 and 2014 and Projected Gross IRRs as of September 30, 2015, and December 31, 2014.

Table 9: Fees Received from Investments and Projected Gross IRR by Investment

(in thousands of U.S. dollars)

For the Period Ended September 30

	Three Months			Nine Months			Projected Gross IRR	
	2015	**2014**	**Variance**	**2015**	**2014**	**Variance**	**Sept. 30, 2015**	**Dec. 31, 2014**
THP 1 US	**798**	1,011	(213)	**2,571**	2,870	(299)	**14%**	15%
THP2 US	**978**	1,001	(23)	**2,907**	2,930	(23)	**23%**	27%
Separate Accounts	**974**	453	521	**2,033**	1,369	664	**21%**	22%
Side–Cars	**299**	1,311	(1,012)	**932**	1,347	(415)	**24%**	23%
U.S. Funds and Investments	**3,049**	3,776	727	**8,443**	8,516	(73)		
THP1 Canada	**17**	127	(110)	**165**	404	(239)	**16%**	16%
THP2 Canada	**152**	279	(127)	**572**	821	(249)	**15%**	17%
Canadian Syndicated	**88**	2	86	**269**	117	152	**13%**	13%
Canadian Funds and Investments	**257**	408	(151)	**1,006**	1,342	(336)		
TDG	**150**	–	150	**220**	–	220		
Total Contractual Fees Excluding Johnson	**3,456**	4,184	(728)	**9,669**	9,858	(189)		
Johnson	**3,825**	2,654	1,171	**8,236**	4,536	3,700		
Total Contractual Fees	**$ 7,281**	$ 6,838	$ 443	**$ 17,905**	$ 14,394	$ 3,511		
THP3 Canada General Partner Distribution	**$ 320**	$ 358	$ (38)	**$ 975**	$ 1,359	$ (384)	**14%**	15%

Contractual Fees received from funds, separate accounts, side-car and syndicated investments decreased by $0.2 million or 2% to $9.7 million for the nine months ended September 30, 2015, compared to $9.9 million for the same period of the prior year. The new investments formed in 2014 (Trilogy Lake Norman, Arantine Hills and Trilogy at Verde River) and 2015 (The Selby under TLR, and Viridian) contributed $1.8 million in fee income, which was offset by a decrease in fees received from the funds and separate account investments with lower invested capital in 2015.

For the nine months ended September 30, 2015, General Partner Distributions decreased by $0.4 million or 28% to $1.0 million compared to $1.4 million for the same period in 2014. The decrease was a result of THP3 Canada's investment period ending in March 2014, as well as a foreign exchange loss. General Partner Distributions for Q3 2015 were consistent with the same period in the prior year.

As of September 30, 2015, the projected Gross IRRs for the funds are between 13% and 24%, which is in line with management's expectations (refer to Section 8.2, Supplementary Support for Financial Review, Table 26: Summary of Private Funds Financial Data for details).

Investment in Johnson

In Q3 2015, Tricon's 50.1% ownership share in Johnson earned Adjusted Base EBITDA of $1.2 million, $0.3 million higher than Q3 2014. The increase was mainly attributable to a 56% increase in lot sales, offset by higher related bonus expense (refer to Table 10: Financial Information – Johnson below for details).

Table 10: Financial Information – Johnson

(in thousands of U.S. dollars)

For the Periods Ended September 30	Three Months			Nine Months		
	2015	**2014**	**Variance**	**2015**	**2014** (1)	**Variance**
Contractual Fees	**$ 3,825**	$ 2654	$ 1171	**$ 8,236**	$ 4,536	$ 3,700
Adjusted Base Revenues	**3,825**	2654	1171	**8,236**	4,536	3,700
Salaries and Benefits	**(1,338)**	(1,052)	(286)	**(3,252)**	(1,745)	(1,507)
Overhead Expenses (2)	**(123)**	97	(220)	**(404)**	(124)	(280)
Adjusted Base Operating Expenses	**(1,461)**	(955)	(506)	**(3,656)**	(1,869)	(1,787)
Adjusted Base EBITDA	**$ 2,364**	$ 1,699	$ 665	**$ 4,580**	$ 2,667	$ 1,913
Tricon Portion	**$ 1,184**	$ 851	333	**2,295**	1,336	959
NCI Portion	**$ 1,180**	$ 848	332	**2,285**	1,331	954
Operational Information						
Lot Sales	**843**	540	303	**1,762**	940	822
Residential Land Sales (acres)	**75**	116	(41)	**115**	136	(21)
Commercial Land Sales (acres)	**–**	70	(70)	**–**	70	(70)

(1) The financial results for 2014 are for the period from April 15, 2014 to September 30, 2014.

(2) Overhead expenses include General and Administration Expense and Professional Fees.

5. Liquidity and Capital Resources

5.1 Financing Strategy

The Company seeks to maintain financial strength and flexibility by lowering the cost of debt and equity capital and minimizing interest rate fluctuations over the long term.

- Tricon uses various forms of debt such as floating rate bank financing and unsecured debentures with convertible features, and attempts to stagger the maturity of its obligations.
- The Company uses convertible debentures where the principal can be redeemed in shares at the Company's option.
- The Company also redeploys capital as the interests in investments are liquidated to capitalize on investment opportunities with attractive returns.
- When it is deemed appropriate, the Company raises equity through the public markets to finance its growth and strengthen its financial position.

5.2 Liquidity

Tricon generates substantial liquidity through operating cash flows from Private Funds and Advisory and Principal Investments as well as from the turnover of assets with shorter investment horizons and periodic monetization of our co-investments in THP through distribution, refinancing or syndicated investors' participations. To enable us to react to attractive investment opportunities and deal with contingencies when they arise, we typically maintain sufficient liquidity at the corporate level and within our key operating platforms. Our primary sources of liquidity consist of cash and an undrawn corporate credit facility.

Liquidity Reserve – Tricon currently reserves 5% of the consolidated debt (excluding convertible debentures) at the corporate level.

Cash Available – Tricon currently maintains at least $5 million of cash to fund working capital.

Working Capital – As of September 30, 2015, Tricon's net working capital surplus was $44.9 million.

Liquidity Management – The Company has access to a $235 million revolving corporate credit facility provided by a syndicate of lenders. As of September 30, 2015, no amounts were drawn on the facility.

5.3 Capital Resources

Consolidated Debt Structure and Interest Expenses
Tricon's current debt obligations are as follows:

Table 11: Summary of Debts
(in thousands of dollars)

	Terms				Debt balance (in U.S. dollars) (1)	
	Currency	Total Amount	Maturity Date	Interest Rate Terms	Sept. 30, 2015	Dec. 31, 2014
Revolving Term Credit Facility	USD	$ 235,000	April 2018	LIBOR+350bps	**$ –**	$ 46,800
6.375% Convertible Debenture	CAD	$ 49,748	August 2017 (2)	6.375%	**30,459**	34,232
5.60% Convertible Debenture	CAD	$ 85,731	March 2020	5.60%	**52,745**	59,230
					$ 83,204	$ 140,262

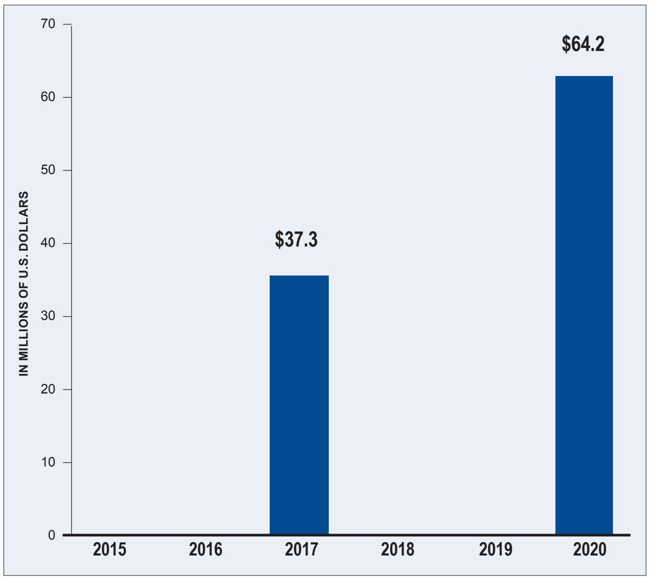
(1) Debt balances are presented in U.S. dollars. Foreign exchange rates used to translate the convertible debenture payable balances at each balance sheet date are: at September 30, 2015 CAD/USD 1.3346 and at December 31, 2014 CAD/USD 1.1601.

(2) On October 19, 2015, the Company announced its intent to redeem in full all of its currently outstanding 6.375% convertible unsecured subordinated debentures due August 31, 2017 (the "Debentures"), and has issued a notice of such redemption to the holders of the Debentures. The Debentures will be redeemed on November 30, 2015 and the redemption price will be paid by the issuance of common shares of the Company in accordance with the terms of the Debentures.

As of September 30, 2015, the Company was in compliance with all financial covenants.

Management attempts to stagger the maturity of Tricon's debts with the objective of achieving even, annual maturities over a ten-year time horizon to reduce Tricon's exposure to interest rate fluctuations in any one period. The graph below outlines Tricon's debt maturity schedule as of September 30, 2015.

Figure 6: Debt Maturity Schedule (As At September 30, 2015)



August 2017 – 6.375% Convertible debenture issuance amount due at maturity is $37.3 million (C$49.7 million).
April 2018– Tricon Corporate $235 million Credit Facility (nil drawn as at September 30, 2015).
March 2020 – 5.60% Convertible debenture issuance amount due at maturity is $64.2 million (C$85.7 million).

The 6.375% convertible debentures are convertible into common shares at a conversion price of C$6.00 per share and, in accordance with their terms, have been called for redemption by the Company on November 30, 2015 with the redemption price to be satisfied by the issuance of commmon shares of the Company. The 5.60% convertible debentures are convertible into common shares at a conversion price of C$9.80 per share and are redeemable by the Company, provided certain conditions are met, beginning March 31, 2016.

Derivative Financial Instrument – The conversion and redemption options available within both series of convertible debentures are reported at fair value on a quarterly basis on the Consolidated Balance Sheets. As at September 30, 2015, the fair value of the embedded derivative Financial Instrument increased by $11.5 million to $47.5 million from $36.0 million as at December 31, 2014, primarily as a result of an increase in Tricon's share price.

Other Long-Term Assets and Liabilities

- **Non-Controlling Interest ("NCI") –** The balance represents the 49.9% minority interest of Johnson not held by the Company. The NCI is adjusted on a quarterly basis to reflect the minority interest's proportionate share of earnings and distributions received. The NCI balance at September 30, 2015, was $15.9 million (December 31, 2014 - $18.4 million). The NCI balance was reduced by a distribution of $2.7 million received by the minority interest and partially offset by $0.2 million of income attributable to the minority interest for the nine months ended September 30, 2015.

- **Long-Term Incentive Plan –** As at September 30, 2015, the Company recorded a total LTIP Liability of $14.3 million of which $13.8 million represents future potential LTIP. The LTIP liability decreased by $3.6 million from $17.9 million as at December 31, 2014. The reduction to LTIP liability was a result of the decreased fair value of THP1 US, THP2 Canada and THP3 Canada. It should be noted that future potential LTIP will only be paid if and when the corresponding Performance Fees are earned and received by the Company.

- **Deferred Income Tax Asset/Liabilities –** As of September 30, 2015, Tricon had a net deferred tax liability of $12.7 million (December 31, 2014 – $7.6 million). The increase in deferred tax liability is primarily driven by the increased net asset value of the investment in TAH due to fair value adjustments.

Equity Issuance and Cancellations

On August 18, 2015, the Company completed a public offering, on a bought deal basis of 13,158,000 common shares at a price of C$11.40 per common share for total gross proceeds of C$150 million . The net proceeds of the offering have been and will be used to partially fund the future equity requirements in each of the Company's business verticals, including the new TLR vertical, and for general corporate purposes, including repayment of the outstanding balance under the Company's corporate revolving credit facility.

Tricon did not initiate any other public offerings or share cancellations under the Company's Normal Course Issuer Bid during the nine months ended September 30, 2015. Shares issued during the period and their average prices, before transaction costs, are summarized as follows:

Table 12: Equity Issuance and Cancellation Schedule

(in thousands of dollars, except for per share amounts)

For the Periods Ended September 30, 2015	Three Months				Nine Months			
	Shares	C$ Price	C$ Amount	US$ Amount	Shares	C$ Price	C$ Amount	US$ Amount
Dividend Reinvestment Plan ("DRIP")	75,018	$ 10.73	$ 805	$ 623	225,157	$ 9.97	$ 2,245	$ 1,811
Compensation Shares Granted	135,506	7.01	950	731	287,428	7.48	2,151	1,696
Debentures Conversions	309,833	6.00	1,859	1,413	348,614	6.30	2,196	1,690
Bought Deal Offering(1)	13,158,000	11.40	143,494	109,762	13,158,000	11.40	143,494	109,763
Total	**13,678,357**		**$147,108**	**$ 112,530**	**14,019,199**		**$ 150,086**	**$ 114,960**

(1) Amount represents aggregate gross proceeds of C$150 million net of equity issuance cost.

5.4 Interest Expense

The following table provides the details of the Company's interest expense:

Table 13: Interest Expense

(in thousands of U.S. dollars)

For the Periods Ended September 30	Three Months			Nine Months		
	2015	2014	Variance	2015	2014	Variance
Interest Expense – Corporate Credit Facility	$ 748	$ 499	$ 249	$ 2,360	$ 1,129	$ 1,231
Interest Expense – Convertible Debentures	1,822	2,164	(342)	5,511	6,447	(936)
Interest Expense – Tricon American Homes	4,370	2,848	1,522	11,088	6,906	4,182
Interest Expense – Tricon Lifestyle Communities	178	45	133	422	45	377
Total Interest Expense	**$ 7,118**	**$ 5,556**	**$ 1,562**	**$ 19,381**	**$ 14,527**	**$ 4,854**

The interest expense for the corporate credit facility increased by $1.2 million to $2.4 million in the nine months ended September 30, 2015, compared to $1.1 million in the same period in 2014, driven by the increase in usage (maximum amount drawn during the nine months ended 2015 was $118.8 million compared to the $39.0 million during the same period in 2014). The standby charge on the unused credit facility also increased as the credit facility was upsized from $105 million to $235 million since December 31, 2014.

For the nine months ended September 30, 2015, interest expense on the Convertible Debentures decreased by 15% or $0.9 million to $5.5 million compared to $6.4 million in the same period in 2014. The decrease was a result of the appreciation of the U.S. dollar. The interest expense on the convertible debentures was C$6.9 million in the nine months ended September 30, 2015 (YTD Q3 2014 - C$6.9 million).

On May 12, 2015, TAH completed a securitization transaction of $361.3 million, and subsequent to the transaction, TAH decreased the size of its dedicated warehousing loan facility to $300 million from $450 million on June 12, 2015. As of September 30, 2015, TAH had $361.3 million outstanding on its securitization loan and $218.4 million outstanding on its credit facility. Interest expense at Tricon American Homes increased mainly due to higher total borrowings. For the nine months ended September 30, 2015, interest expense related to the securitization loan was $2.8 million and the remaining $8.3 million was incurred on the credit facility and other debt.

TLC incurred $0.4 million of interest expense for the nine months ended September 2015. This included $0.3 million of interest expense on a $10.6 million loan with Freddie Mac related to the Longhaven property, as well as $0.1 million of interest expense on mortgage debt assumed with the Apache MHP acquisition on May 28, 2015.

6. Appendix – Key Performance Indicators, Accounting Estimates and Risk Analysis

6.1 Key Performance Indicators

Assets Under Management

Monitoring changes in AUM is key to evaluating trends in revenue. Growth in AUM is driven by principal investments and capital commitments to private funds, separate accounts, and syndicated/side-car investments by institutional and high net worth investors. A side-car or syndicated investment is a co-investment vehicle under common sponsorship with a Tricon fund. The side-car generally participates in larger investment opportunities brought by the fund sponsor or general partner. The separate account and side-car investments are typically driven by investments in projects with investment criteria outside an active fund's discipline or concentration limits.

For reporting purposes, AUM 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, and is calculated as follows:

Principal Investments AUM	
Tricon Housing Partners	Fair value of invested capital and unfunded commitment
Tricon American Homes	Fair value of investment properties and inventory homes before imputed selling costs and minority interest
Tricon Lifestyle Communities	Fair value of assets including in-place leases and park assets
Tricon Luxury Residences	Fair value of development / investment properties
Private Funds and Advisory AUM	
Commingled Funds	During the investment period, AUM = capital commitment After the investment period, AUM = outstanding investment capital
Separate Accounts/Side-cars/Syndicated Investments	THP – Invested and unfunded capital commitment less return of capital TLR – Invested capital less return of capital

Effective January 1, 2015, AUM for separate accounts, side-cars and syndicated investments is calculated based on invested and unfunded capital commitment less distributions that are attributable to the return of capital. The previous calculation was based on invested and unfunded capital commitment less total distributions. AUM for the previous periods was restated to reflect the change in the calculation methodology.

Adjusted Base EBITDA, Adjusted EBITDA and Adjusted Net Income

In management's opinion, Adjusted Base EBITDA, Adjusted EBITDA and Adjusted Net Income are the most useful measures of performance. As detailed in the table on the following page, these include the changes in the fair value of the Company's investments, but exclude both Non-Recurring and Non-Cash Items, including Long-Term Incentive Plan (LTIP) expense and the Net Change in Fair Value of Derivatives.

Adjusted Income Statement Breakdown	
Contractual Fees	1–2% of committed capital during the fund investment periods 1–2% of invested capital after fund investment periods expire 1–2% of invested capital of separate accounts, side-cars and syndicated investments Contractual Fees from Johnson Development fees and asset management fees from TLR projects
General Partner Distributions	Based on prescribed formulas within the Limited Partnership Agreement
Investment Income – THP	From co-investment in private funds or co-investing alongside investments within those funds or in separate accounts/ side-car investments From investing balance sheet cash in "warehoused" investments that will be offered to new private funds upon their formation From investing directly in projects, loans or limited partnerships other than those described above
Realized Investment Income – TAH	Represents rental income, net of non-controlling interest and expenses
Investment Income – TLC	Rental income, net of non-controlling interest and expenses and fair value calculated based on discounted cash flow model
Investment Income – TLR	Fair value adjustment based on discounted cash flow model and rental income post construction stage
Interest Income	Interest Income from temporary investments
Total Adjusted Base Revenue	
Salaries, Professional Fees, Directors' Fees, General and Administration Expense	Overhead expenses less non-recurring expenses
Non-Controlling Interest	49.9% of Johnson's income before interest, amortization and tax expenses
Total Adjusted Base EBITDA	
Annual Incentive Plan	15%–20% of (Adjusted Base EBITDA less THP1 US Investment Income)
Unrealized Investment Income – TAH Fair Value Adjustment	Fair value adjustment of the properties less non-controlling interest and performance fees estimated payable to operating partners and additional IFRS fair value adjustments (fair value calculated based on Broker Price Opinion and Home Price Indexes)
Performance Fees	Based on prescribed formulas within the various Limited Partnership Agreements Typically calculated as 20% of net cash flow after return of capital and preferred return of 9–10%; may contain a "catch-up" provision that enables the Company to earn a higher percentage of net cash flow until the ratio of the limited partner returns to Performance Fees paid to the Company is 80/20
Performance Fee-Related Bonus Pool (LTIP)	50% of Performance Fees + DSU expense calculated based on 15% of THP1 US Investment Income
Total Adjusted EBITDA	
Stock Option Expense	Compensation expense on stock options granted to employees
Interest Expense	Includes interest on Corporate borrowings and borrowings in principal investment segments (excluding discount amortization of convertible debentures)
Amortization	Amortization of Johnson intangible assets and Placement Fees

Total Adjusted Net Income Before Taxes (EBT)	
Income Tax (Expense) Recovery	Includes current and deferred tax expenses on corporate entities and principal investments
Total Adjusted Net Income	

Tricon American Homes/Tricon Lifestyle Communities Key Performance Metrics

As detailed above, the Company reflects ongoing operating performance through Realized Investment Income for TAH/TLC and reports changes in the underlying fair value of the investments through Unrealized Investment Income for the TAH/TLC Fair Value Adjustment, which includes the fair value of properties calculated based on Broker Price Opinion, Home Price Indexes or Discounted Cash Flow Model. However, the Company believes other information or metrics related to the net assets and operating results of Tricon American Homes/Tricon Lifestyle Communities is relevant in evaluating the operating performance of these underlying assets, as follows.

Net Operating Income represents total rental revenue, less operating rental expenses and property management fees.

In-Place Occupancy Rate represents the number of investment properties in the portfolio that are leased, including those pending move-in with signed lease agreements, as a percentage of total rental homes in the portfolio (total homes owned less homes held for sale).

Occupancy for homes owned six months and more represents the number of investment properties in the portfolio that are leased, including those pending move-in with signed lease agreements, as a percentage of total rental homes that are owned six months and more in the portfolio.

Gross Yield (Tricon American Homes only) for a property refers to the expected gross annual rent divided by its Capital Invested. Capital Invested is the aggregate of a home's purchase price, closing costs associated with its purchase, and the cost of upfront improvements or renovation.

Tricon American Homes/Tricon Lifestyle Communities Investment Income Breakdown	
TAH/TLC Net Operating Income	Rental Revenue less Rental Expenses
Gain from Sale of Homes	Inventory Homes Revenue less the Cost of Homes Sold and Selling Expenses
Asset Management Fees	TAH – Invested Capital x Management Fee Rate TLC – Rent received x Management Fee Rate
Leasing Commissions	Commissions paid to lease properties, excluded from NOI
Other Expenses	Professional fees, general and administration expenses, and other corporate overhead expenses
Non-Controlling Interest (Realized)	Non-controlling parties' interest in the realized income
TAH Operations LLC Net Income (Loss)	Fee revenue less operating and overhead expenses (TAH only, not applicable to TLC)
Total Realized Investment Income – TAH/TLC	
Fair Value Adjustment	TAH – Calculated based on BPO/HPI TLC – Calculated based on Discounted Cash Flow Valuation
Non-Controlling Interest (Unrealized)	Non-controlling parties' interests in fair value adjustment less imputed performance fees to third party/operator (for TAH, estimated performance fees vary depending on each market's FVA for the period)
Total Unrealized Investment Income – TAH/TLC Fair Value Adjustment	

6.2 Accounting Estimates

Refer to the Notes to the Condensed Interim Consolidated Financial Statements for details on critical accounting estimates.

6.3 New and Future Accounting Standards

There were no new or amended standards adopted by the Company as of September 30, 2015.

6.4 Controls and Procedures

Pursuant to National Instrument 52-109 released by the Canadian Securities Administrators, the Company's CEO and CFO have evaluated the design and operating effectiveness of the Company's disclosure controls and procedures and the Company's internal controls over financial reporting for the period ended September 30, 2015. The CEO and CFO did not identify any material weaknesses in the Company's system of internal controls over financial reporting.

During the nine months ended September 30, 2015, there were no changes to policies, procedures and processes that comprise the system of internal controls over financial reporting that may have affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Such controls and procedures are subject to continuous review and changes to such controls and procedures may require management resources and systems in the future.

6.5 Transactions with Related Parties

Tricon has a 10-year sub-lease commitment on the Company's head office premises with Mandukwe Company Inc., a company owned and controlled by a director of the Company. The annual rental amount is $40,000 (C$49,000) plus common area maintenance costs and realty taxes. The lease expires on November 30, 2019.

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

Please refer to the Related Party Transactions and Balances Note in the financial statements for further details.

6.6 Dividends

The Company has paid dividends on a quarterly basis since going public in May 2010. On August 12, 2015, the Board of Directors declared a dividend of six cents per share in Canadian dollars to shareholders of record on September 30, 2015, payable on October 15, 2015. On November 11, 2015, the Board of Directors declared a dividend of six cents per share in Canadian dollars to shareholders of record on December 31, 2015 payable on January 15, 2016.

6.7 Compensation Incentive Plan

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

AIP is calculated based on 15% of Adjusted Base EBITDA less THP1 US Investment Income with the actual rate determined annually at the Board's discretion. For senior management of the Company, 60% of AIP compensation is distributed as cash, and 40% in DSUs with a one-year vesting period.

LTIP expense is generated from two sources: (i) 50% of the Company's share of performance fees or carried interest from private funds and separate accounts, paid in cash when received, and (ii) a percentage equal to the AIP percentage (currently 15%) of THP1 US investment income, payable in DSUs which currently vest over a five-year period.

6.8 Risk Definition and Management

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 deem immaterial may also impair our business operations. This MD&A contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below.

General Risks

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, economic uncertainty, changes in laws (including laws relating to taxation), trade barriers, energy prices, 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 funds' portfolio investments, which could reduce our revenues and profitability.

Specific to our private funds and advisory business, unpredictable or unstable market conditions and adverse economic conditions may result in reduced opportunities to find suitable risk-adjusted investments to deploy capital and make it more difficult for our funds to exit and realize value from their existing real estate investments, which could materially adversely affect our ability to raise new funds and sustain our profitability and growth.

Changes in the Real Estate Markets

The residential real estate industry is cyclical and is significantly affected by changes in general and local economic and industry conditions, such as employment levels, availability of financing for homebuyers, interest rates, consumer confidence, levels of new and existing homes for sale, demographic trends and housing demand. In addition, an oversupply of new homes or alternatives to new homes, such as resale homes, including homes held for sale by investors and speculators, foreclosed homes and rental properties may reduce the Company's ability to rent or sell homes, depress prices and reduce margins from the rental and sale of homes. Conversely, if housing prices in the target markets increase at a rate faster than rents, this could result in downward pressure on the Company's gross rental yields. The United States residential real estate industry continues to face a number of challenges, with home foreclosures and tight credit standards continuing to have an effect on inventory and home sale rates and prices.

Homebuilders 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 inventory impairment charges for the Company. If there are significant adverse changes in economic or real estate market conditions, the Company may have to sell or rent homes at a loss or hold these real estate assets in inventory longer than planned. Inventory carrying costs can be significant and can result in losses in a poorly performing project or market. If market conditions deteriorate, some of the Company's assets may be subject to fair value decrease and option write-off charges, adversely affecting the Company's operations and financial results relating to its principal investments.

Competition

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, our products and services, innovation and reputation and price. We compete in pursuit of investor capital to be invested in our securities and investment funds but 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 and/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. In addition, competition could result in the scarcity of inputs which can impact certain of our businesses through higher costs.

Sustaining Growth

Our Assets Under Management have grown to approximately $2.5 billion at September 30, 2015. Our rapid 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 development investment management market and legal, accounting and regulatory developments.

Our future growth will depend on, among other things, 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. As a result, we face significant challenges in: (i) maintaining adequate financial and business controls; (ii) implementing new or updated information and financial systems and procedures; and (iii) training, managing and appropriately sizing our work force and other components of our business on a timely and cost-effective basis.

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.

Transaction Execution

Before making residential real estate development investments for our funds, including the selection of developers, 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 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.

Liquidity Risk

Certain residential properties can be difficult to sell, particularly if local market conditions continue to be poor. Additionally, financial difficulties of other property owners resulting in distressed sales could depress real estate values in the markets in which we operate in times of illiquidity. These restrictions could reduce our ability to respond to changes in the performance of our funds and could adversely affect our financial condition and results of operations.

Environmental Risks

The development properties and developers in which our funds invest are subject to various Canadian and U.S. laws relating to environmental matters. These laws could hold the developers or property owners liable for the costs of removal and remediation of certain hazardous substances or wastes released or deposited on or in our development properties or disposed of at other locations. We are not aware of any material non-compliance with environmental laws by any of the developers in which our funds invest, nor are we aware of any material non-compliance with environmental laws on any of our residential real estate developments. We are also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of the residential real estate developments or any material pending or threatened claims relating to environmental conditions at our development properties. We have made and will continue to make the necessary capital expenditures to support our developers' efforts to comply with environmental laws and regulations.

Management Team

Our executive and other senior officers have a significant role in our success and oversee the execution of our strategy. 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. 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 condition and cash flow. Furthermore, such a loss could be negatively perceived in the capital markets. The conduct of our businesses and the execution of our growth strategy rely heavily on teamwork. 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 may not materialize in the way we expect.

Taxation Risks

We structure our business to prevailing taxation law and practice in the U.S. and Canada. Any change in tax policy, tax legislation (including in relation to taxation rates), the interpretation of tax policy or legislation or practice could adversely affect the return we can earn on our investments, on the capital available to be invested by us or our institutional investors, or on the willingness of investors to acquire our securities or invest in our funds. Further, taxes and other constraints that would apply to our operating entities in such jurisdictions may not apply to other parties, and such parties may therefore have a significantly lower effective cost of capital and a corresponding competitive advantage in pursuing acquisitions. 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.

Risks Relating to Principal Investments

Tricon Housing Partners

Our funds have made investments in residential land development and homebuilding operations located in the United States and Canada. These operations are concentrated in areas which we believe have positive long-term demographic and economic characteristics. The residential real estate development industry is cyclical and is significantly affected by changes in general and local economic and industry conditions, such as consumer confidence, employment levels, availability of financing for homebuyers and interest rates, availability and terms of senior financing, levels of new and existing homes for sale, demographic trends and housing demand. The development projects in which we invest also have lengthy project completion timelines. Typically, we invest in development projects in which capital is generally returned in three to five years and that take four to six years to complete. These extended timelines present the possibility that markets will deteriorate between the time of our initial investment and the return of capital or project completion, which could have an adverse effect on our business, financial condition or results of operation. As a result of the above-mentioned factors, the year-to-year or quarter-to-quarter revenue, investment income and cash distribution may be erratic.

Tricon American Homes and Tricon Lifestyle Communities

Experience
The Company's current and historical business as a manager of funds is different from the U.S. single-family home rental and manufactured housing community strategy. Management's increased focus and involvement in connection with these strategies could have an adverse effect, financial or otherwise, on the Company as a whole. Specifically, due to the size of the Company's intended investment in these segments, any adverse change or effect experienced by the Company in connection with these strategies could result in the Company experiencing financial distress and cause the market price of our common shares to decline or fluctuate significantly.

Competition
The residential single-family rental market has historically been fragmented in both its ownership and operations. We face competition from local owners and operators, as well as an emerging class of institutional managers. When acquiring single-family rental and manufactured housing community properties, we face competition from individual investors, private pools of capital and other institutional buyers, which may increase the prices for properties that we would like to purchase and reduce our ability to achieve our desired portfolio size or expected yields. We also compete for desirable residents against the same entities as well as multi-family lessors. We believe that having an integrated and scalable platform with local market presence and using our wealth of existing in-house expertise provides us a competitive advantage.

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, Tricon may not be able to relet that property in a short amount of time or at all. Additionally, even if we are successful in renewing a lease or reletting a property, the terms of the renewal or reletting may be less favourable than the terms that existed at the time when we originally leased the property. If we are unable to promptly renew leases or relet properties, or if the rental rates upon renewal or reletting are significantly lower than expected rates, then the Company's financial condition and cash flow could be adversely affected. Specifically in our single-family rental strategy, our ability to renew leases and/or relet properties (or on terms that are favourable to us) may be adversely affected by economic and market conditions including, without limitation, new construction and excess inventory of single-family housing, changes in social preferences, rent control legislation, the availability of low interest mortgages for single-family home buyers, rental housing subsidized by the government, and other government programs that favour multi-family rental housing or owner occupied housing over single-family rental housing.

Tricon Luxury Residences

Real Property Ownership and Tenant Risks
All real property investments are subject to elements of risk. The value of real property and any improvements depend on the credit and financial stability of tenants and upon the vacancy rates of such properties. Apartment buildings generate revenue through rental payments made by tenants. The ability to rent vacant residential rental suites in the TLR 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 ability of potential tenants to afford premium rents 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, competition from other available properties, and various other factors. If a significant number of tenants are unable to meet their obligations under their leases or if a significant amount of available space in the TLR properties becomes vacant and cannot be re-leased on economically favourable terms, the TLR properties may not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures.

Residential tenant leases are relatively short, exposing the Company to market rental rate volatility. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant will be replaced. The terms of any subsequent lease may be less favourable to the Company than those of an existing lease. Lease rollover risk arises from the possibility that the Company may experience difficulty renewing leases as they expire or in re-leasing space vacated by tenants upon their lease expiry.

While the Company strives to achieve geographic diversification of its TLR properties, changes in general economic conditions will also affect the performance of the portfolio. The TLR vertical is initially focused on the U.S. Sunbelt and on Toronto, making the Company's performance sensitive to its performance in, and changes affecting, those markets.

Historical occupancy rates and revenues in the target markets are not necessarily an accurate prediction of the future occupancy rates for the TLR properties or revenues to be derived therefrom. There can be no assurance that, upon the expiry or termination of existing leases, the average occupancy rates and revenues will be higher than historical occupancy rates and revenues, and it may take a significant amount of time for market rents to be recognized by the Company due to internal and external limitations on its ability to charge new market-based rents in the short term.

Real estate by its nature is relatively illiquid. Such illiquidity will tend to limit the Company's ability to adjust its portfolio in response to changing economic or investment conditions. Although the Company in selected circumstances intends to divest a portion of its equity stake in a TLR property to third-party institutional investors at stabilization (and will have the option to divest a portion of its interest at any time), market conditions may prevent such a transaction. Financial difficulties of other property owners which results in distress sales could depress real estate values in the markets in which the Company operates. If the Company was simultaneously required to liquidate all or a substantial portion of its TLR assets, there is a risk that the Company would realize sale proceeds of less than the current fair market value of the properties.

The real estate industry is affected by fluctuations in the cost of construction and servicing of land. Any material increase in construction and/or servicing costs may have a material adverse effect on the Company.

Substitutions for Multi-Family Rental Suites

Demand for multi-family rental suites 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 historically low levels. If the interest rates offered by financial institutions for home ownership financing remain low or fail to rise, demand for luxury residential rental suites may be adversely affected.

An economic downtown may also impact the job markets and the ability of Millennials and older tenants to afford the rents associated with rental suites. This may result in increased demand for lower cost rental options. Such a reduction in the demand for luxury residential rental suites may have an adverse effect on the Company's ability to lease luxury residential rental suites in the TLR properties and on the rents charged.

Competition

The real estate business is competitive. Numerous developers, managers and owners of properties compete with the Company in seeking tenants. The existence of competing developers, managers and owners and competition for the Company's tenants could have an impact on the Company's ability to lease residential rental suites at the TLR properties and on the rents charged.

The Company is subject to competition for suitable real property investments with individuals, corporations, institutions and real estate investment trusts which are presently seeking, or which may seek in the future, real property investments similar to those targeted by the Company. A number of these investors may have greater financial resources than those of the Company, or operate without the investment or operating restrictions of the Company or according to more flexible conditions. An increase in the activity of investment funds, and an increase in interest in real property investments, may increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them.

Government Regulation

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. Any limits on the Company's ability to raise rental rates at the TLR properties may adversely affect the Company's ability to increase income from the TLR properties.

In addition to limiting the Company's ability to raise rental rates, residential tenancy legislation in some Canadian provinces provides certain rights to tenants, while imposing obligations upon landlords. Residential tenancy legislation in Ontario prescribes certain procedures which must be followed by a landlord in order to terminate a residential tenancy. As certain proceedings may need to be brought before the respective administrative body governing residential tenancies as appointed under a province's residential tenancy legislation, it may take several months or longer to terminate a residential lease, even where the tenant's rent is in arrears.

Further, residential tenancy legislation in certain provinces provides tenants with the right to bring certain claims to the respective administrative body seeking an order to, among other things, compel landlords to comply with health, safety, housing and maintenance standards. As a result, the Company may, in the future, incur capital expenditures which may not be fully recoverable from tenants.

Residential tenancy legislation may be subject to further regulations or may be amended, repealed or enforced, or new legislation may be enacted, in a manner which will materially adversely affect the ability of the Company to maintain the historical level of earnings of the TLR properties.

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 the Company's partner 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.

Acquisition and Development Opportunities
The Company's strategy for the TLR vertical includes growth through identifying suitable acquisition and development opportunities, pursuing such opportunities, completing acquisitions and developments and effectively operating and leasing such properties. There can be no assurance as to the pace of growth of the TLR vertical or that the Company will be able to continue to find suitable real property investments.

Tricon has not yet executed definitive documentation for the two TLR U.S. development opportunities in Dallas, Texas, and there can be no assurances that such documentation will be executed on schedule or at all.

Zoning and Approvals
Future acquisitions and development projects 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 render future acquisitions uneconomical.

Retaining Qualified Trades Workers and Obtaining Required Materials and Supplies
The multi-family residential development 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. If any of these difficulties occur, it may cause delays and increase the cost to the Company of developing TLR properties.

Risks Relating to Private Funds and Advisory

Formation of Future Investment Vehicles
The ability to raise any capital for any future investment vehicles, such as commingled funds and separate accounts, 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 raising by any other future investment vehicles will occur or that future warehoused investments of the Company will be acquired by any other future investment vehicles. A failure to raise any or a sufficient number of future investment vehicles could result in lower Assets Under Management and would 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 of Tricon will be the same as the existing investment vehicles, including with respect to the treatment of the Company's principal investments in such vehicles. 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 our existing investment vehicles 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.

Capital Commitment
The limited partners in Tricon's investment vehicles comprise a relatively small group of high-quality, 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 limited partner in the applicable limited partnership agreement, no assurances can be given that a given investor will meet its entire commitment over the life of an investment vehicle. A failure by one or more limited partners to satisfy a drawdown request could impair our ability to fully finance our development projects, which could have a material adverse effect on our business.

Operational and Credit Risks
On a strategic and selective basis, our funds and other investment vehicles provide financing to develop properties. The residential real estate development business involves significant risks that could adversely affect our business, financial condition and results of operations, 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 in which our funds invest; 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 properties in which our funds invest; the developer may not be able to sell properties in which our funds invest on favourable terms or at all; construction costs, total investment amounts and our fund's share of remaining funding may exceed our estimates and projects may not be completed and delivered as planned. A developer that our funds help to finance may experience a downturn in its business, which could cause the loss of that developer or weaken its financial condition and result in the developer's inability to make payments when due. If a developer defaults, we may experience delays and incur costs in enforcing our rights as lender and protecting our investments.

Our 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 our funds' partners or co-venturers might become bankrupt or otherwise fail to fund their share of required capital contributions. Additionally, our partners or co-venturers 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 to Tricon; and capital improvements.

Partnership Agreement

The partnership agreements for certain of our funds provide that the general partner of each such fund may be removed by the consent of limited partners that have made 75% of such partnership's capital contributions. The partnership agreements of other funds provide that the general partner and manager of each such fund may be removed without cause by the consent of "unaffiliated limited partners" holding at least 75% of the partnership units entitled to be voted on such matter. The removal of Tricon as general partner or manager of a fund prior to the termination of such fund could materially adversely affect the reputation of Tricon, lower Assets Under Management and, as a result, reduce anticipated future Contractual Fees and Performance Fees.

7. Appendix – Reconciliations

In preparing the adjusted financial information, management has eliminated both Non-Recurring and Non-Cash Items, as shown in the tables below:

Table 14: Net Income (Loss) as shown in the Consolidated Financial Statements

(in thousands of U.S. dollars, except for per share amounts)

For the Periods Ended September 30	Three Months			Nine Months		
	2015	2014	Variance	**2015**	2014	Variance
Total Revenues	**$ 27,891**	$ 49,107	$ (21,216)	**$ 76,063**	$ 92,451	$ (16,388)
Total Expenses	**10,971**	(5,556)	16,527	**(36,672)**	(25,528)	(11,144)
Non-Controlling Interest – Johnson	**(554)**	(167)	(387)	**(211)**	(440)	229
Income Tax Expense	**(5,187)**	(4,717)	(470)	**(9,741)**	(11,043)	1,302
Net Income (Loss) for the Period	**$ 33,121**	$ 38,667	$ (5,546)	**$ 29,439**	$ 55,440	$ (26,001)
Basic Income (Loss) per Share	**$ 0.34**	$ 0.43	$ (0.09)	**$ 0.32**	$ 0.61	$ (0.29)
Diluted Income (Loss) per Share	**$ 0.20**	$ 0.32	$ (0.12)	**$ 0.31**	$ 0.51	$ (0.20)

Table 15: Reconciliation of Net Income to Adjusted Net Income

(in thousands of U.S. dollars)

For the Periods Ended September 30	Three Months			Nine Months		
	2015	**2014**	**Variance**	**2015**	**2014**	**Variance**
Net Income (Loss) for the Period	**$ 33,121**	$ 38,667	$ (5,546)	**$ 29,439**	$ 55,440	$ (26,001)
Adjustments:						
Long-Term Incentive Plan Total	**236**	1,481	(1,245)	**1,458**	6,471	(5,013)
Long-Term Incentive Plan Actual	**(1,157)**	(968)	(189)	**(2,613)**	(2,457)	(156)
Phantom Units	**–**	–	–	**–**	98	(98)
Non-recurring Salaries and Benefits Expense	**–**	–	–	**–**	1,424	(1,424)
Transaction Costs	**940**	(153)	1,093	**2,219**	191	2,028
Formation Costs	**–**	43	(43)	**792**	43	749
Debentures Discount Amortization	**1,074**	953	121	**3,157**	2,864	293
Financing Charges – TAH Facility	**152**	995	(843)	**401**	1,388	(987)
Non-recurring TAH Transaction Costs	**895**	215	680	**17,242**	215	17,027
Unrealized TAH Selling Expenses	**289**	575	(286)	**2,874**	1,828	1,046
Financing Charges – TLC Facility	**18**	365	(347)	**142**	365	(223)
Non-recurring TLC Legal Costs	**8**	139	(131)	**306**	139	167
Net Change in Fair Value of Derivative	**(15,768)**	(7,540)	(8,228)	**16,239**	(9,395)	25,634
Control Premium Adjustment	**–**	–	–	**5,446**	7,860	(2,414)
Unrealized Foreign Exchange (Gain) Loss	**(7,502)**	1,063	(8,565)	**(16,987)**	(107)	(16,880)
Unrealized Foreign Exchange (Gain) Loss on Investment – THP	**91**	(12,787)	12,878	**–**	(13,671)	13,671
Unrealized Foreign Exchange (Gain) Loss on Investment – TAH	**–**	(15,113)	15,113	**–**	(14,647)	14,647
Unrealized Foreign Exchange (Gain) Loss on Investment – TLC	**(35)**	(92)	57	**(35)**	(92)	57
Total Non-Recurring and Non-Cash Adjustments	**(20,759)**	(30,824)	10,065	**30,641**	(17,483)	48,124
Tax Effect of Above Adjustments (Expense)	**(365)**	3,840	(4,205)	**(6,047)**	1,989	(8,036)
Tax Adjustment Due to Change of Tax Strategy	**–**	–	–	**(3,906)**	–	(3,906)
Total Tax Adjustments	**(365)**	3,840	(4,205)	**(9,953)**	1,989	(11,942)
Non-Recurring and Non-Cash Adjustments after Taxes	**(21,124)**	(26,984)	5,860	**20,688**	(15,494)	36,182
Adjusted Net Income	**$ 11,997**	$ 11,683	$ 314	**$ 50,127**	$ 39,946	$ 10,181

Long-Term Incentive Plan – Per IFRS, the Company is required to estimate the potential LTIP payable based on the estimated fair value of assets within the managed private funds.

Phantom Units Expense – The expense incurred relates to units issued to employees in the prior year and therefore the balance has been removed from the Company's performance metrics.

Transaction Costs – The Company incurred one-time legal fees on the corporate revolving credit facility upsize, and transaction costs related to the initial public offering of Tricon Investment Partners, which offering was withdrawn due to adverse market conditions.

Debentures Discount Amortization – Per IFRS, the Company is required to discount expected cash flows of the convertible debentures using an effective interest rate and report Debentures Payable at amortized cost. The corresponding amortization expense is non-cash in nature and is therefore removed when calculating Adjusted Net Income.

Financing Charges – TAH/TLC Facility– The Company incurred one-time professional fees when acquiring financing.

Non-recurring TAH/TLC Transaction/Legal Costs– The Company incurred one-time costs such as professional and consulting fees related to the business restructuring and refinancing activities. In Q2 2015, TAH completed a securitization transaction and incurred $12.7 million of financing and legal costs. TAH also amended its warehousing credit facility, incurring $2.5 million of transaction cost. In addition to the financing related costs, TAH incurred an additional $0.3 million of restructuring and integration expenses.

Unrealized TAH Selling Expenses– The Unrealized Investment Income – Tricon American Homes Fair Value Adjustment balance includes imputed selling costs on the portfolio of 1% of fair value. This non-cash item has been removed when calculating Adjusted Net Income.

Net Change in Fair Value of Derivative– The Company is required to fair value the embedded derivative components of the convertible debentures quarterly, resulting in a large non-cash expense on the income statement. This non-cash item has therefore been removed when calculating Adjusted Net Income.

Unrealized Foreign Exchange Gain– Effective January 1, 2015, the Company adopted the U.S. dollar as its functional and presentation currency. As a result, the Company is no longer exposed to foreign exchange gains and losses on its U.S. dollar denominated investments. The comparative Financial Statements were not restated to reflect the functional currency change in accordance with IFRS and as a result investment income still contains unrealized foreign exchange gains and losses that were recognized in 2014. In 2015 unrealized foreign exchange gains are mainly related to the revaluation of Canadian dollar denominated convertible debenture liabilities. The impact of these unrealized gains has been removed in Table 15.

Tax Adjustment Due to Change of Tax Strategy– In Q4 2014, Tricon adopted a change in business strategy relating to its TAH investment from an opportunistic investment to a core principal investment. This resulted in a change in the anticipated tax on exit from this strategy. A tax recovery of $3.9 million was related to the elimination of the accumulative investment gains recognized in TAH subsidiaries since inception to Q4 2014 as the tax expense on incremental fair value is now recognized at the parent entity level.

A detailed reconciliation of the investment income between the Financial Statements and MD&A is shown in the table below:

Table 16: Reconciliation of Investment Income from Financial Statements

(in thousands of U.S. dollars)

For the Periods Ended September 30	Three Months			Nine Months		
	2015	2014	Variance	2015	2014	Variance
Reconciliation of Investment Income – THP						
Investment Income – THP per Financial Statements	**$ 5,133**	$ 20,613	$ (15,480)	**$ 12,698**	$ 40,860	$ (28,162)
Tax Expenses (Recovery)	**176**	(459)	635	**333**	(96)	429
Unrealized Foreign Exchange	**91**	(12,787)	12,878	–	(13,671)	13,671
Control Premium Write-down	**–**	–	–	**5,446**	7,860	(2,414)
Investment Income – THP Per MD&A	**$ 5,400**	$ 7,367	$ (1,967)	**$ 18,477**	$ 34,953	$ (16,476)
Reconciliation of Investment Income – TAH						
Investment income – TAH per Financial Statements	**$ 15,022**	$ 21,424	$ (6,402)	**$ 45,000**	$ 35,906	$ 9,094
Imputed Selling Expenses	**289**	575	(286)	**2,874**	1,828	1,046
Interest Expense	**4,370**	2,848	1,522	**11,088**	6,906	4,182
Tax Expenses (Recovery)	**(1,107)**	(352)	(755)	**(9,239)**	(2,474)	(6,765)
Unrealized Foreign Exchange	**–**	(15,113)	15,113	**–**	(14,647)	14,647
Credit Facility Fees	**152**	995	(843)	**401**	1,388	(987)
Non-recurring Transaction Costs	**895**	215	680	**17,242**	215	17,027
Total Investment Income – TAH per MD&A	**$ 19,621**	$ 10,592	$ 9,029	**$ 67,366**	$ 29,122	$ 38,244
Realized Investment Income – TAH	**$ 7,534**	$ 5,235	$ 2,299	**$ 22,189**	$ 12,810	$ 9,379
Unrealized Investment Income – TAH Fair Value Adjustment	**12,087**	5,357	6,730	**45,177**	16,312	28,865
Total Investment Income – TAH per MD&A	**$ 19,621**	$ 10,592	$ 9,029	**$ 67,366**	$ 29,122	$ 38,244
Reconciliation of Investment Income – TLC						
Investment Income – TLC per Financial Statements	**$ 69**	$ (222)	$ 291	**$ (612)**	$ (222)	$ (390)
Interest Expense	**178**	45	133	**422**	45	377
Tax Expenses (Recovery)	**71**	(193)	264	**531**	(193)	724
Unrealized Foreign Exchange	**(35)**	(92)	57	**(35)**	(92)	57
Financing Costs	**18**	365	(347)	**142**	365	(223)
Non-recurring Formation Costs	**8**	139	(131)	**306**	139	167
Total Investment Income – TLC per MD&A	**$ 309**	$ 42	$ 267	**$ 754**	$ 42	$ 712

8. Appendix – Tables

8.1 Selected Historical Financial Information

Effective January 1, 2015, Tricon changed the functional and presentation currency to U.S. dollars given the increasing prevalence of U.S. dollar-denominated activities in the Company over time. The change in functional currency from Canadian dollars to U.S. dollars is accounted for prospectively from January 1, 2015. Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment of the subsidiary (the functional currency). Prior year comparable information is restated to reflect the change in presentation currency. There were no changes to the measurement basis of the financial statement line items as a result of the change in presentation currency.

Foreign currency transactions (Canadian dollar) are translated into U.S. dollars using exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars using the exchange rate in effect at the measurement date. Non-monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars using the historical exchange rate or the exchange rate in effect at the measurement date for items recognized at Fair Value through Profit and Loss. Gains and losses arising from foreign exchange are included in the statement of comprehensive income (loss).

The following table shows selected MD&A and Financial Statements financial information for the past eight quarters.

Table 17: Summary of Quarterly Key Non-IFRS Performance Measures

(in thousands of U.S. dollars, except for per share amounts)

For the Three Months Ended	Sept. 30, 2015	June 30, 2015	Mar. 31, 2015	Dec. 31, 2014
Assets Under Management	**$ 2,523,407**	$ 2,342,593	$ 2,206,005	$ 2,189,256
Adjusted Base EBITDA	**15,394**	10,709	19,486	19,718
Adjusted EBITDA	**25,195**	23,357	35,941	34,814
Adjusted Net Income	**11,997**	15,082	23,048	25,564
Adjusted Basic Earnings per Share	**$ 0.12**	$ 0.17	$ 0.25	$ 0.28
Adjusted Diluted Earnings per Share	**$ 0.10**	$ 0.14	$ 0.21	$ 0.23

For the Three Months Ended	Sept. 30, 2014	June 30, 2014	Mar. 31, 2014	Dec. 31, 2013 (1)
Assets Under Management	$ 2,035,734	$ 1,875,694	$ 1,861,722	$ 1,861,722
Adjusted Base EBITDA	14,790	11,993	24,863	15,221
Adjusted EBITDA	18,039	13,735	31,308	27,964
Adjusted Net Income	11,683	8,202	20,061	11,328
Adjusted Basic Earnings per Share	$ 0.13	$ 0.09	$ 0.22	$ 0.13
Adjusted Diluted Earnings per Share	$ 0.11	$ 0.07	$ 0.18	$ 0.10

(1) Adjusted Base EBITDA, EBITDA, Net Income, Basic Earnings per Share and Diluted Earnings per Share for the three months ended December 31, 2013 are translated using quarterly average closing rates.

Table 18: Summary of Selected Historical Financial Statement Information

(in thousands of U.S. dollars, except for per share amounts)

For the Three Months Ended	Sept. 30, 2015 (1)	June 30, 2015 (1)	Mar. 31, 2015 (2)	Dec. 31, 2014 (2)
Revenue	**$ 27,891**	$ 13,033	$ 35,139	$ 76,381
Expenses	**5,784**	(6,102)	(46,095)	(31,404)
Non-Controlling Interest	**(554)**	303	40	(1,167)
Net Income (Loss)	**$ 33,121**	$ 7,234	$ (10,916)	$ 43,810
Basic Earnings per Share	**$ 0.34**	$ 0.08	$ (0.12)	$ 0.48
Diluted Earnings per Share	**$ 0.20**	$ 0.04	$ (0.12)	$ 0.46
Weighted Average Shares Outstanding	**97,311,968**	90,789,370	90,646,960	90,729,695
Weighted Average Shares Outstanding – Diluted (3)	**115,916,032**	109,644,821	92,060,642	109,642,585

For the Three Months Ended	Sept. 30, 2014 (2)	June 30, 2014 (2)	Mar. 31, 2014 (2)	Dec. 31, 2013 (2)
Revenue	$ 49,107	$ (1,496)	$ 44,840	$ 42,535
Expenses	(10,273)	(10,079)	(16,219)	(26,439)
Non-Controlling Interest	(167)	(273)	–	–
Net Income (Loss)	$ 38,667	$ (11,848)	$ 28,621	$ 16,096
Basic Earnings per Share	$ 0.43	$ (0.13)	$ 0.32	$ 0.18
Diluted Earnings per Share	$ 0.32	$ (0.13)	$ 0.29	$ 0.18
Weighted Average Shares Outstanding	90,973,738	91,016,558	90,843,782	90,664,248
Weighted Average Shares Outstanding – Diluted (3)	109,571,512	92,089,596	109,344,002	109,044,166

(1) Effective January 1, 2015, the financial statements were prepared using the U.S. dollar as the functional currency.

(2) Financial results for 2014 and 2013 were prepared using the Canadian dollar as the functional currency but are translated to U.S. dollars using quarterly average rates.

(3) Per IFRS shares underlying convertible debentures that are considered to be anti-dilutive are excluded from the diluted share count (Refer to Table 23: Share Outstanding).

The following tables show restated Adjusted Net Income and Assets Under Management in U.S. dollars for the four quarters of 2014.

Table 19: Restated Adjusted Net Income for 2014

(in thousands of U.S. dollars, except for per share amounts)

For the Three Months Ended	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014
Contractual Fees	$ 9,947	$ 6,838	$ 4,730	$ 2,826
General Partner Distributions	359	358	340	661
Investment Income – THP	11,779	7,367	6,750	20,836
Investment Income – TAH	4,274	5,235	4,286	3,289
Investment Income – TLC	27	42	–	–
Interest Income	(4)	87	12	16
Adjusted Base Revenues	**26,382**	**19,927**	**16,118**	**27,628**
Salaries and Benefits	3,380	2,568	2,160	1,554
Professional Fees	636	516	724	479
Directors' Fees	114	65	73	146
General and Administration	518	1,140	685	586
Non-Controlling Interest	2,016	848	483	–
Adjusted Base Operating Expenses	**6,664**	**5,137**	**4,125**	**2,765**
Adjusted Base EBITDA	**19,718**	**14,790**	**11,993**	**24,863**
Annual Incentive Plan	(1,343)	(1,265)	(972)	(1,029)
Investment Income – TAH Fair Value Adjustment	17,202	5,357	3,136	7,819
Performance Fees	–	9	30	–
Performance Fee-Related Bonus Pool (LTIP)	(763)	(852)	(452)	(345)
Adjusted EBITDA	**34,814**	**18,039**	**13,735**	**31,308**
Stock Option Expense	(102)	(116)	(210)	(482)
Interest Expense	(4,665)	(5,556)	(4,911)	(4,060)
Amortization Expense	(1,525)	(776)	(466)	(233)
Adjusted Net Income Before Taxes	**28,522**	**11,591**	**8,148**	**26,533**
Income Tax Expense	(2,958)	92	54	(6,472)
Adjusted Net Income	**$ 25,564**	**$ 11,683**	**$ 8,202**	**$ 20,061**
Adjusted Basic Earnings Per Share	**$ 0.28**	**$ 0.13**	**$ 0.09**	**$ 0.22**
Adjusted Diluted Earnings Per Share	**$ 0.23**	**$ 0.11**	**$ 0.07**	**$ 0.18**
Weighted Average Shares Outstanding – Basic	**90,729,695**	**90,973,738**	**91,016,558**	**90,843,782**
Weighted Average Shares Outstanding – Diluted	**109,642,585**	**109,571,512**	**109,477,606**	**109,344,002**

Table 20: Restated Assets Under Management for 2014

(in thousands of U.S. dollars)

For the Three Months Ended	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014
Principal Investments				
Tricon Housing Partners				
THP1 US Co-Investment	$ 269,339	$ 265,627	$ 262,809	$ 276,476
THP2 US Co-Investment	27,066	26,863	27,821	27,097
THP3 Canada Co-Investment	18,989	19,041	19,825	19,024
Separate Accounts	34,793	25,414	27,963	28,015
Side-cars	17,980	18,171	5,199	5,055
Tricon Housing Partners AUM	**368,167**	**355,116**	**343,617**	**355,667**
Tricon American Homes	**686,089**	**617,333**	**560,336**	**500,869**
Tricon Lifestyle Communities	**14,205**	**14,129**	**–**	**–**
Principal Investments AUM	**$ 1,068,461**	**$ 986,578**	**$ 903,953**	**$ 856,536**
Private Funds and Advisory				
THP1 US	$ 102,728	$ 105,000	$ 105,000	$ 105,000
THP2 US	308,740	308,740	308,740	308,740
THP1 Canada	29,120	31,403	36,618	35,342
THP2 Canada	69,133	70,632	78,146	76,015
THP3 Canada	114,635	117,456	124,527	158,978
Private Funds AUM	**624,356**	**633,231**	**653,031**	**684,075**
Separate Accounts (1)	**295,581**	**213,672**	**230,820**	**234,695**
Side-car/Syndicated AUM (1)	**200,858**	**202,253**	**87,890**	**86,416**
Private Funds and Advisory AUM	**$ 1,120,795**	**$ 1,049,156**	**$ 971,741**	**$ 1,005,186**
Total Assets Under Management	**$ 2,189,256**	**$ 2,035,734**	**$ 1,875,694**	**$ 1,861,722**

(1) Effective January 1, 2015, AUM for separate accounts, side-cars and syndicated investments are based on committed capital less return of capital. 2014 AUM was restated to reflect the change in methodology.

8.2 Supplementary Support for Financial Review

The following table shows the detailed Assets Under Management by business segment. Refer to Section 6.1 for definitions of Assets Under Management for each type of investment vehicle.

Table 21: Assets Under Management

(in thousands of dollars)

	Currency	Initial Close	Capitalization (in originating currency)	Sept. 30, 2015	Dec. 31, 2014 (in USD) [1]	Sept. 30, 2014	Variance Sept. 30, 2015 vs. Dec. 31, 2014	Variance Sept. 30, 2015 vs. Sept. 30, 2014
Principal Investments								
Tricon Housing Partners								
THP1 US Co-Investment [2]	US	May-07	$ 226,775	**$ 226,977**	$ 269,339	$ 265,627	(16%)	(15%)
THP2 US Co-Investment	US	Aug-12	25,000	**28,720**	27,066	26,863	6%	7%
THP3 Canada Co-Investment	CA	Mar-11	20,000	**15,372**	18,989	19,041	(19%)	(19%)
Cross Creek Ranch Co-Investment	US	Jun-12	14,400	**10,372**	11,889	13,162	(13%)	(21%)
Fulshear Farms Co-Investment	US	Sep-13	5,000	**5,024**	5,024	5,000	0%	0%
Grand Central Park Co-Investment	US	Nov-13	8,075	**8,235**	7,411	7,252	11%	14%
Trilogy at Verde River Co-Investment	US	Oct-14	10,350	**11,378**	10,469	–	9%	N/A
Viridian Co-Investment	US	Jul-15	25,400	**24,340**	–	–	N/A	N/A
Side-cars	US	– [3]	17,880	**19,051**	17,980	18,171	6%	5%
Tricon Housing Partners AUM				**349,469**	368,167	355,116	(5%)	(2%)
Tricon American Homes [4]	US	May-12	872,024	**967,578**	686,089	617,333	41%	57%
Tricon Lifestyle Communities [4]	US	Aug-14	23,380	**23,948**	14,205	14,129	69%	69%
Tricon Luxury Residences (The Selby)	CA	Mar-15	8,171	**5,869**	–	–	N/A	N/A
Principal Investments AUM				**$ 1,346,864**	$ 1,068,461	$ 986,578	26%	37%
Private Funds and Advisory								
THP1 US	US	May-07	$ 105,000	**$ 85,404**	$ 102,728	$ 105,000	(17%)	(19%)
THP2 US	US	Aug-12	308,740	**308,740**	308,740	308,740	0%	0%
THP1 Canada	CA	Oct-05	101,124	**3,838**	29,120	31,403	(87%)	(88%)
THP2 Canada	CA	Apr-08	85,362	**44,358**	69,133	70,632	(36%)	(37%)
THP3 Canada	CA	Mar-11	175,750	**99,170**	114,635	117,456	(13%)	(16%)
Private Funds AUM				**541,510**	624,356	633,231	(13%)	(14%)
Cross Creek Ranch	US	Jun-12	129,600	**87,717**	93,287	104,528	(6%)	(16%)
Fulshear Farms	US	Sep-13	45,000	**45,000**	45,000	45,000	0%	0%
Grand Central Park	US	Nov-13	72,675	**64,144**	64,144	64,144	0%	0%
Trilogy at Verde River	US	Oct-14	93,150	**93,150**	93,150	–	0%	N/A
The Selby	CA	Mar-15	46,302	**33,255**	–	–	N/A	N/A
Viridian	US	Jul-15	116,000	**116,000**	–	–	N/A	N/A
Separate Accounts AUM				**439,266**	295,581	213,672	49%	106%
Side-cars	US	– [3]	161,916	**161,916**	161,916	161,916	0%	0%
Syndicated Investments	CA	– [3]	45,476	**33,851**	38,942	40,337	(13%)	(16%)
Side-car/Syndicated AUM				**195,767**	200,858	202,253	(3%)	(3%)
Private Funds and Advisory AUM [5]				**$ 1,176,543**	$ 1,120,795	$ 1,049,156	5%	12%
Total Assets Under Management				**$ 2,523,407**	$ 2,189,256	$ 2,035,734	15%	24%

(1) Foreign exchange rates used at each balance sheet date are: at September 30, 2015 CAD/USD 1.3346; December 31, 2014 CAD/USD 1.1601; and September 30, 2014 1.1200.
(2) $226.8 million represents total fund commitment by the Company to THP1 US; purchase price of 68.4% interest was $260.5 million.
(3) Includes several different investment accounts with various initial close dates.
(4) Tricon American Homes and Tricon Lifestyle Communities Assets Under Management are equal to the fair value of investment properties and inventory homes before imputed selling expenses and therefore may differ from total capitalization in the strategy.
(5) Represents third-party AUM which generates Contractual Fee revenue for the Company.

The following table shows the details of certain compensation expenses shown in Table 2: Selected Adjusted Income Statement Information.

Table 22: Compensation Plans

(in thousands of U.S. dollars)

For the Periods Ended September 30	Three Months			Nine Months		
	2015	**2014**	**Variance**	**2015**	**2014**	**Variance**
AIP						
Adjusted Base EBITDA	**$ 15,394**	$ 14,790	$ (604)	**$ 45,589**	$ 51,646	$ 6,057
Less: THP1 US Investment Income	**4,552**	6,429	1,877	**15,320**	29,974	14,654
Base for AIP Calculation	**10,842**	8,361	(2,481)	**30,269**	21,672	(8,597)
Total AIP Expense (1)	**$ 1,682**	$ 1,265	$ (417)	**$ 4,570**	$ 3,266	$ (1,304)
LTIP						
LTIP at 15% on THP1 US Investment Income (2)	**$ 622**	$ 847	$ 225	**$ 1,726**	$ 1,629	$ (97)
LTIP at 50% on Performance Fees Received	**19**	5	(14)	**24**	20	(4)
Total LTIP for the Period	**$ 641**	$ 852	$ 211	**$ 1,750**	$ 1,649	$ (101)
Stock Option Expense	**$ 516**	$ 116	$ (400)	**$ 863**	$ 808	$ (55)

(1) The AIP accrual was calculated as 15% of Adjusted Base EBITDA less THP1 US Investment Income (with additional revaluation and foreign exchange adjustment). Other AIP expense includes AIP liability revaluation loss (gain) due to the change in the Company's stock price. 2014 AIP was translated using the quarterly average closing rate of Q3 2014.

(2) The Performance Fee-Related Bonus Pool includes 15% on THP1 US Investment Income earned. The full 15% is paid out in the form of deferred share units which vest over five years. Under IFRS 2, these units are expensed over six years on a graded basis.

The following table shows the details of the shares outstanding shown in Table 2: Selected Adjusted Income Statement Information.

Table 23: Shares Outstanding

As of September 30, 2015	Shares Outstanding	Three Months Weighted Average Shares Outstanding	Nine Months Weighted Average Shares Outstanding
Basic Shares Outstanding			
Share Capital	104,211,647	97,138,145	92,664,738
Unissued Vested Phantom Units/DSUs	173,823	173,823	173,823
Basic Shares Outstanding	**104,385,470**	**97,311,968**	**92,838,561**
Fully Diluted Shares Outstanding			
DSUs of THP1 US	414,953	414,953	414,953
AIP Share Compensation	183,258	183,258	183,258
Stock Options (1)	775,302	864,826	775,302
Directors' fees	14,404	14,404	14,404
Convertible Debentures	17,039,395	17,039,395	17,039,395
Other Compensation	87,228	87,228	87,228
Adjustment for Dilution	18,514,540	18,604,064	18,514,540
Fully Diluted Shares Outstanding	**122,900,010**	**115,916,032**	**111,353,101**

(1) Dilutive shares from stock options are calculated assuming proceeds from exercising the stock options will be used toward repurchasing the outstanding shares.

(2) Shares outstanding as of November 11, 2015 were 104,193,662.

The following table shows the details of the outstanding share options issued as part of the compensation plan.

Table 24: Stock Options

Issue Date	Exercise Price in C$ (1)	Exercise Price in US$ (1)	Total Issued	Vested	Exercised (2)	Expired	Outstanding (3)
May 19, 2010	$ 6.00	$ 5.71	895,000	870,000	278,000	25,000	592,000
August 3, 2010	5.26	5.14	71,500	71,500	17,500	–	54,000
November 22, 2011	4.16	4.01	40,000	40,000	–	20,000	20,000
November 22, 2011	4.16	4.01	15,000	15,000	15,000	–	–
November 1, 2012	5.70	5.72	15,000	15,000	15,000	–	–
May 17, 2013	6.81	6.64	1,010,000	696,660	127,999	41,667	840,334
September 9, 2013	6.07	5.86	250,000	166,666	–	–	250,000
November 1, 2013	7.49	7.17	20,000	20,000	20,000	–	–
November 25, 2013	7.74	7.33	250,000	104,993	6,500	62,500	181,000
March 16, 2015	10.57	8.28	721,500	–	–	–	721,500
Average/Total	**$ 7.59**	**$ 6.76**	**3,288,000**	**1,999,819**	**479,999**	**149,167**	**2,658,834**

(1) The average exercise price is calculated based on the weighted average options outstanding. Exercise prices are translated from Canadian dollars using the exchange rate on the issue date.

(2) Options were exercised by employees who left the Company during 2014.

(3) Total options outstanding is calculated as the total options issued less options exercised and expired.

Private Funds and Advisory and Tricon Housing Partners

The following table shows total and sold units by fund/investment and by market as at September 30, 2015.

Table 25: Detailed Units by Investment/Market

Canadian Investment Vehicles	$ Commitment [1] (in thousands)	Est. Completion	Total Units: Land (acres)	Total Units: Single-Family Lots [2] [3]	Total Units: Homes (Units)	Total Units: Multi-Family Units [3]	Total Units: Retail (sq. ft.)	Total Units Sold: Land (acres)	Total Units Sold: Single-Family Lots [2] [3]	Total Units Sold: Homes (Units)	Total Units Sold: Multi-Family Units [3]	Total Units Sold: Retail (sq. ft.)
THP1 Canada												
Edmonton	$ 16,944	2018	183	1,599	–	–	–	117	936	–	–	–
Toronto	77,453	Complete	–	–	–	2,334	58,899	–	–	–	2,334	58,899
Vancouver	8,600	Complete	–	–	–	284	–	–	–	–	284	–
THP2 Canada												
Calgary [5]	26,500	2020	–	–	–	901	171,650	–	–	–	424	–
Edmonton	7,500	Complete	–	–	–	–	–	–	–	–	–	–
Toronto	47,280	2016	–	–	–	1,478	49,881	–	–	–	1,475	18,360
THP3 Canada												
Calgary [5]	40,000	2022	98	2,514	486	–	–	45	820	272	–	–
Toronto	70,700	2019	–	–	–	697	–	–	–	–	623	–
Vancouver	46,000	2019	–	–	–	899	96,217	–	–	–	484	31,062
Less: Double Counted [4]			–	–	–	(939)	–	–	–	–	(939)	–
Total as at September 30, 2015			**281**	**4,113**	**486**	**5,654**	**376,647**	**162**	**1,756**	**272**	**4,685**	**108,321**
Total as at December 31, 2014			**313**	**4,158**	**441**	**5,722**	**336,725**	**107**	**1,413**	**238**	**4,617**	**115,433**

U.S, Investment Vehicles (excl. THP1 US)	$ Commitment [1] (in thousands)	Est. Completion	Total Units: Land (acres)	Total Units: Single-Family Lots [2] [3]	Total Units: Homes (Units)	Total Units: Multi-Family Units [3]	Total Units: Retail (sq. ft.)	Total Units Sold: Land (acres)	Total Units Sold: Single-Family Lots [2] [3]	Total Units Sold: Homes (Units)	Total Units Sold: Multi-Family Units [3]	Total Units Sold: Retail (sq. ft.)
Total THP2 US												
Arizona	$ 65,950	2019	112	4,235	1,258	–	–	–	–	206	–	–
Southern California	81,300	2020	–	1,332	315	72	11,000	–	–	279	12	–
Northern California	17,100	2017	–	–	60	52	–	–	–	–	–	–
North Carolina	15,744	2020	12	123	1,058	–	–	–	–	43	–	–
Texas	46,149	2017	61	–	–	780	–	61	–	–	–	–
Georgia	32,300	2019	–	–	368	–	–	–	–	2	–	–
Other [6]	15,128	N/A	–	–	–	–	–	–	–	–	–	–
Separate Accounts/ Side-Cars [7]												
Arizona	15,300	2021	–	–	2,070	–	–	–	–	130	–	–
Southern California	8,600	2020	–	1,332	–	–	–	–	–	–	–	–
North Carolina	4,330	2020	12	123	1,058	–	–	–	–	43	–	–
Texas	51,975	2024	785	11,493	–	–	–	221	1,277	–	–	–
Less: Double Counted [4]			(12)	(1,455)	(2,049)	–	–	–	–	(173)	–	–
Total as at September 30, 2015			**970**	**17,183**	**4,138**	**904**	**11,000**	**282**	**1,277**	**530**	**12**	**–**
Total as at December 31, 2014			**853**	**14,316**	**3,940**	**904**	**–**	**205**	**1,229**	**268**	**–**	**–**

Table 25: Detailed Units by Investment/Market (continued)

THP1 US			Total Units					Total Units Sold				
	$ Commitment (1) (in thousands)	Est. Completion	Land (acres)	Single-Family Lots (2) (3)	Homes (Units)	Multi-Family Units (3)	Retail (sq. ft.)	Land (acres)	Single-Family Lots (2) (3)	Homes (Units)	Multi-Family Units (3)	Retail (sq. ft.)
San Francisco Portfolio	$ 62,320	2017	–	–	–	474	14,000	–	–	–	375	–
Eskaton Placerville	11,000	2018	–	66	60	–	–	–	–	59	–	–
Greater East Bay Portfolio	72,500	2018	–	1,103	408	–	–	–	951	408	–	–
Atlanta Portfolio	33,700	2018	–	324	392	–	–	–	–	380	–	–
Paseo Lindo	7,800	Complete	–	–	141	–	–	–	–	141	–	–
SoCal Portfolio	46,100	2018	–	703	–	–	–	–	16	–	–	–
Phoenix Lot Portfolio	43,000	2018	–	1,452	–	–	–	–	501	–	–	–
Woodstock	9,900	Complete	–	–	–	69	8,998	–	–	–	69	8,998
Williams Island	33,200	Complete	–	–	653	–	–	–	–	653	–	–
Total as at September 30, 2015			**–**	**3,648**	**1,654**	**543**	**22,998**	**–**	**1,468**	**1,641**	**444**	**8,998**
Total as at December 31, 2014			**–**	**3,825**	**1,515**	**543**	**8,998**	**–**	**569**	**1,466**	**238**	**8,998**

(1) Amounts exclude additional amounts syndicated to third-party investors in certain circumstances.
(2) Lots include finished, partially finished and undeveloped lots.
(3) Includes lots/units which have not yet been released to the market.
(4) The double counting of the units that are shared between funds or between a fund and a side-car investment has been removed.
(5) Excludes option land which has not yet been closed upon and 122,500 square feet of office space.
(6) Represents the fund's equity investment in The New Home Company (NYSE: NWHM), a publicly-traded homebuilder with operations concentrated in California.
(7) Represents Tricon's share of the commitment amount and not the full project-level commitment.

The following table details the financial performance by fund/investment:

Table 26: Summary of Private Funds Financial Data

(in thousands of dollars)

				Projected – As at Sept. 30, 2015 [3]					Actual and Projected Gross Cash Flow [6]		
	Currency	Total Capitalization [1]	Project Commitments [2]	Gross ROI	Gross IRR	Net ROI [4]	Net IRR [4]	Net Cash Flow [5]	Total	Realized	Unrealized
THP1 US [7]	US	$ 331,775	$ 320,520	2.2x	14%	1.7x	10%	$ 317,394	$ 627,030	$ 233,802	$ 393,228
THP2 US [8]	US	333,740	296,671	1.8x	23%	1.5x	16%	197,970	446,791	57,116	389,675
Separate Accounts [9]	US	565,052	565,052	2.4x	21%	2.2x	20%	610,723	1,085,283	104,354	980,929
Side-Cars [10]	US	179,796	179,796	1.8x	24%	1.7x	23%	113,225	262,103	1,269	260,834
Total U.S. Investments		**$ 1,410,363**	**$ 1,362,039**					**$ 1,239,312**	**$ 2,421,207**	**$ 396,541**	**$ 2,024,666**
THP1 Canada	CA	101,124	102,997	2.0x	16%	1.6x	12%	88,380	172,917	143,009	29,908
THP2 Canada	CA	85,362	97,757	1.9x	15%	1.5x	10%	70,347	154,009	76,233	77,776
THP3 Canada [8]	CA	195,750	172,700	1.9x	14%	1.6x	9%	93,486	196,246	28,404	167,842
Syndicated Investments [10]	CA	45,476	45,476	2.1x	13%	1.8x	12%	42,659	81,051	9,894	71,157
Total Canadian Investments		**$ 427,712**	**$ 418,930**					**$ 294,872**	**$ 604,223**	**$ 257,540**	**$ 346,683**

(1) Total capitalization is the aggregate of the amounts committed by third-party limited partners and the Company's co-investment.
(2) Fund commitments to projects include guarantees made under loan agreements plus reserves. Project commitments can exceed fund capitalization as a result of re-investment rights.
(3) All amounts are based on actual current project commitments and do not include any assumptions for the balance of the funds' capital, if any, to be invested.
(4) Net ROI and IRR are after all fund expenses (including Contractual and Performance Fees).
(5) Projected net cash flows are before fund expenses, management fees, general partner distributions and performance fees over the life of the fund.
(6) Actual and projected gross cash flows over the life of the fund.
(7) Performance Fees are generated on the $105.0 million third-party capitalization only.
(8) No projections have been made in respect of fund capital not committed to projects.
(9) Note that Separate Accounts show only third-party commitments and cash flow amounts.
(10) Syndicated Investments shown are for currently active projects which have future cash flows and are for third-party commitments only.

The following table shows THP1 US detailed cash flow distribution by project and to Tricon since Tricon's acquisition of a controlling interest in August 2013.

Table 27: THP1 US Asset Overview

(in thousands of U.S. dollars)

			Gross Cash Flow Distributed (1)					
Project	**State**	**Type**	**Q3 2015**	**Q2 2015**	**Q1 2015**	**2014**	**2013**	**Total**
San Francisco Portfolio	California	Multi-Family	**$ –**	$ 36,993	$ 7,477	$ 20,250	$ –	$ 64,720
Eskaton Placerville	California	Land / Homebuilding	**–**	–	–	–	–	–
Greater East Bay Portfolio	California	Land / Homebuilding	**5,500**	–	3,500	7,900	–	16,900
Atlanta Portfolio	Georgia	Land / Homebuilding	**7,000**	–	–	7,200	5,600	19,800
Paseo Lindo	Arizona	Homebuilding	**–**	–	–	3,249	2,831	6,080
SoCal Portfolio	California	Land / Homebuilding	**–**	–	–	–	6,491	6,491
Phoenix Lot Portfolio	Arizona	Land	**600**	3,200	250	2,281	8,460	14,791
Woodstock	Georgia	Multi-Family	**–**	–	–	–	133	133
Williams Island	Florida	Land / Homebuilding	**3,510**	3,020	7,030	39,138	7,186	59,884
Total			**$ 16,610**	$ 43,213	$ 18,257	$ 80,018	$ 30,701	$ 188,799
Reserve (to be distributed)			**–**	–	–	(7,486)	–	(7,486)
Distribution of Excess Cash			**297**	755	321	5,061	5,686	12,120
Operating Expenses and Management Fee Payment			**(798)**	(855)	(918)	(3,821)	(4,586)	(10,978)
Total Cash Distributed			**$ 16,109**	$ 43,113	$ 17,660	$ 73,772	$ 31,801	$ 182,455
Total TCN Share (68.4%)			**$ 11,012**	$ 29,468	$ 12,072	$ 50,452	$ 21,736	$ 124,740

(1) Represents 100% of gross cash flow distributed from the projects.

Tricon American Homes

The following TAH Balance Sheet is representative of the financial position of the entire portfolio and **includes** both Tricon's ownership stake and non-controlling interest.

Table 28: Summary of Tricon American Homes Balance Sheets

(in thousands of U.S. dollars)

	September 30, 2015	December 31, 2014
Inventory Homes [(1)]	**$ 708**	$ 5,248
Investment Properties – Cost	**829,771**	595,180
Investment Properties – Fair Value Adjustment [(2)]	**127,393**	78,800
Capital Assets	**2,886**	1,023
Deferred Income Tax Assets	**23,562**	13,448
Cash and Other Assets [(3)]	**47,993**	33,536
Total Assets	**1,032,313**	727,235
Current Liabilities	**17,429**	14,146
Other Long-Term Liabilities [(4)]	**104**	104
Securitization Loan	**361,260**	–
Credit Facility Drawn	**218,374**	304,393
Other Loan	**1,200**	16,151
Total Liabilities	**598,367**	334,794
Net Assets – Tricon American Homes	**$ 433,946**	$ 392,441
Investments – Tricon American Homes	**$ 383,987**	$ 344,170
Non-controlling interest	**$ 49,959**	$ 48,271

(1) Non-rental homes that are expected to be disposed of in the near future.

(2) Represents the accumulated fair value adjustment since inception on investment properties of $137,061, reduced by imputed selling costs of $9,668 (approximately 1% of investment portfolio).

(3) Cash and Other Assets represent working capital and income tax receivable balances, including $36,384 of cash, $7,418 of accounts receivable, $3,992 of prepaid and $199 of other assets.

(4) Represents the value of preferred shares which were issued in conjunction with the restructuring of TAH into a REIT.

The following TAH Income Statement is representative of the performance of the entire portfolio and **includes** both Tricon's ownership stake and non-controlling interest.

Table 29: Tricon American Homes Income Statements

(in thousands of U.S. dollars)

For the Periods Ended September 30	Three Months			Nine Months		
	2015	2014	Variance	**2015**	2014	Variance
Rental Revenue [1]	**$ 19,215**	$ 12,468	$ 6,747	**$ 51,698**	$ 31,679	$ 20,019
Property Taxes	**2,936**	1,217	1,719	**6,845**	3,423	3,422
Repairs and Maintenance	**2,618**	1,125	1,493	**6,214**	2,755	3,459
Property Management Fees	**1,359**	837	522	**3,816**	2,170	1,646
Property Insurance	**908**	555	353	**2,188**	1,373	815
HOA/Utilities	**551**	324	227	**1,528**	845	683
Other Direct Expenses	**90**	148	(58)	**272**	384	(112)
Rental Expenses	**8,462**	4,206	4,256	**20,863**	10,950	9,913
TAH Net Operating Income ("TAHNOI")	**$ 10,753**	$ 8,262	$ 2,491	**$ 30,835**	$ 20,729	$ 10,106
Gain from Sale of Homes	**$ 472**	$ 194	$ 278	**$ 620**	$ 716	$ (96)
Asset Management Fees	**(2,377)**	(1,525)	(852)	**(5,949)**	(4,335)	(1,614)
Leasing Commissions	**(394)**	(481)	87	**(1,155)**	(1,355)	200
General and Administration Expenses	**(280)**	(288)	8	**(831)**	(770)	(61)
Professional Fees	**(286)**	(106)	(180)	**(671)**	(299)	(372)
Other Operating Expenses	**11**	23	(12)	**29**	49	(20)
TAH Operations LLC Income [2]	**1,091**	(94)	1,185	**3,521**	(94)	3,615
TAH Net Income Before Fair Value Adjustments	**8,990**	5,985	3,005	**26,399**	14,641	11,758
Fair Value Adjustment on Investment Properties	**12,735**	8,221	4,514	**51,801**	22,826	28,975
Fair Value Adjustment on Inventory Homes	**12**	(133)	145	**(196)**	(1,211)	1,015
Imputed Performance Fees to Third Parties [3]	**(32)**	(1,767)	1,735	**(6,183)**	(3,977)	(2,206)
TAH Fair Value Adjustments	**12,715**	6,321	6,394	**45,422**	17,638	27,784
TAH Net Income ("TAHNI")	**$ 21,705**	$ 12,306	$ 9,399	**$ 71,821**	$ 32,279	$ 39,542

(1) Includes bad debt expense of $1,358 for the nine months ended September 30, 2015.
(2) Includes fees revenue, reduced by salary and other overhead expenses incurred in TAH Operations LLC.
(3) Represents the change in the balance of the Imputed Performance Fees to Third Parties in the year/period.

The following table reconciles Realized Investment Income – TAH as presented in this MD&A to Investment Income – TAH per the Financial Statements.

Table 30: Tricon American Homes Reconciliation to Financial Statements

(in thousands of U.S. dollars)

For the Periods Ended September 30	Three Months			Nine Months		
	2015	2014	Variance	2015	2014	Variance
TAH Net Income Before Fair Value Adjustments	**$ 8,990**	$ 5,985	$ 3,005	**$ 26,399**	$ 14,641	$ 11,758
Corporate-Level Expenses						
Professional Fees	**(97)**	(116)	19	**(257)**	(285)	28
General and Administration Expenses	**(35)**	(183)	148	**(163)**	(311)	148
Salary and Benefits	**–**	(95)	95	**–**	(243)	243
Non-controlling Interest Realized	**(1,324)**	(356)	(968)	**(3,790)**	(992)	(2,798)
Realized Investment Income – TAH	**7,534**	5,235	2,299	**22,189**	12,810	9,379
TAH Fair Value Adjustments	**12,715**	6,321	6,394	**45,422**	17,638	27,784
Imputed Selling Costs (Expense) Recovery – Housing Inventories	**36**	69	(33)	**87**	561	(474)
Prepaid Adjustments	**(83)**	(625)	542	**1,122**	(1,120)	2,242
Non-controlling Interest Unrealized	**(581)**	(408)	(173)	**(1,454)**	(767)	(687)
Unrealized Investment Income – TAH	**12,087**	5,357	6,730	**45,177**	16,312	28,865
Investment Income – TAH per MD&A	**19,621**	10,592	9,029	**67,366**	29,122	38,244
Reconciling Items to Financial Statements						
Imputed Selling Expenses – Investment Properties	**(289)**	(575)	286	**(2,874)**	(1,828)	(1,046)
Interest Expense	**(4,370)**	(2,848)	(1,522)	**(11,088)**	(6,906)	(4,182)
Tax Recovery (Expense)	**1,107**	352	755	**9,239**	2,474	6,765
Unrealized Foreign Exchange	**–**	15,113	10,597	**–**	14,647	(14,647)
Credit Facility Fees	**(152)**	(995)	843	**(401)**	(1,388)	987
Non-recurring Transaction Costs [(1)]	**(895)**	(215)	(680)	**(17,242)**	(215)	(17,027)
Investment Income – TAH per Financial Statements	**$ 15,022**	$ 21,424	$ 19,308	**$ 45,000**	$ 35,906	$ 9,094

(1) Includes non-recurring transaction costs for the nine months ended September 30, 2015: $16,245 transaction costs related to the securitization and DB loan, $141 legal expense related to new acquisitions, $517 expense related to integration, $339 expense related to non-recurring accounts receivable write down and fines.

The following table shows detailed TAH operational and financial data by market.

Table 31: Tricon American Homes Summary Statistics of Rental Portfolio

Geography	Total Homes Owned	Inventory Homes	Rental Homes	Homes Leased	Vacant Homes Under Marketing	Vacant Homes Under Turn	Vacant Homes Under Rehab	Rental Portfolio Occupancy Rate (1)	Occupancy (Homes Owned 6+ Months)
Northern California	638	5	633	622	1	9	1	98.3%	98.3%
Southern California	314	8	306	281	4	19	2	91.8%	91.8%
Phoenix	398	–	398	385	8	5	–	96.7%	96.7%
Reno	251	–	251	240	2	9	–	95.6%	95.6%
Las Vegas	273	–	273	257	4	11	1	94.1%	93.8%
Dallas	387	11	376	344	4	–	28	91.5%	N/A
San Antonio	198	1	197	161	5	26	5	81.7%	81.5%
Houston	793	3	790	700	14	12	64	88.6%	78.9%
Tampa	408	1	407	346	18	9	34	85.0%	92.7%
Southeast Florida	611	9	602	575	11	7	9	95.5%	95.5%
Charlotte	1,280	16	1,264	1,135	72	16	41	89.8%	92.6%
Columbia	345	13	332	246	29	–	57	74.1%	N/A
Atlanta	842	1	841	782	7	50	2	93.0%	93.0%
Indianapolis	89	–	89	79	–	9	1	88.8%	N/A
Total/Weighted Average	**6,827**	**68**	**6,759**	**6,153**	**179**	**182**	**245**	**91.0%**	**93.3%**

(in thousands of U.S. dollars, except for Average Monthly Rent)

Geography	Average Purchase Price per Home	Average Capital Expenditures per Home (2)	Total Cost per Home	Average Size (Square Feet)	Average Monthly Rent (3)	Gross Yield (4)
Northern California	$ 124	$ 23	$ 147	1,265	$ 1,283	10.5%
Southern California	146	22	168	1,258	1,474	10.5%
Phoenix	114	13	127	1,983	1,004	9.5%
Reno	150	18	168	1,537	1,293	9.2%
Las Vegas	134	16	150	1,605	1,120	9.0%
Dallas	115	1	116	1,511	1,140	11.8%
San Antonio	90	24	114	1,626	1,152	12.1%
Houston	118	6	124	1,615	1,229	11.9%
Tampa	83	29	112	1,371	1,262	13.5%
Southeast Florida	98	29	127	1,412	1,455	13.7%
Charlotte	62	22	84	1,346	912	13.0%
Columbia	97	2	99	1,383	959	11.6%
Atlanta	59	33	92	1,695	989	12.9%
Indianapolis	102	–	102	1,472	1,142	13.4%
Total/Weighted Average	**$ 98**	**$ 19**	**$ 117**	**1,493**	**1,141**	**11.7%**

(1) Based on the number of Single-Family Rental Homes.
(2) Represents actual capital expenditure or estimated capital expenditure per home (for renovated homes).
(3) Represents average expected monthly rent on all homes.
(4) Represents annualized average expected monthly rent per home as a percentage of average investment per home.

The following table shows detailed TAH historical operational and financial performance.

Table 32: Summary of Tricon American Homes Metrics

(in thousands of U.S. dollars except for homes and percentages)

	Q3 2015	Q2 2015	Q1 2015	2014	2013	2012
Total Homes in Portfolio	**6,827**	6,513	5,163	5,030	3,316	1,582
Inventory Homes	**68**	55	63	39	60	78
Single-family Rental Homes	**6,759**	6,458	5,100	4,991	3,256	1,504
Homes Leased	**6,153**	6,047	4,548	4,193	2,535	1,031
Net Homes Acquired During Period/Year	**314**	1,350	133	1,714	1,734	1,582
In-place Occupancy as at Period-end	**91.0%**	93.6%	89.1%	84.0%	77.9%	68.6%
Occupancy (homes owned 6+ months) as at period/year-end	**93.3%**	93.8%	92.8%	91.0%	87.0%	95.0%
Average Gross Yield	**12%**	12%	12%	12%	12%	14%
Operating Margin (1)	**60%**	62%	63%	63%	64%	53%
TAH Net Operating Income (1)	**$ 10,753**	$ 11,325	$ 8,757	$ 27,829	$ 13,518	$ 1,399
Interest Expense	**$ 4,370**	$ 3,454	$ 3,264	$ 9,218	$ 2,233	$ 69
Investment Income – TAH	**$ 7,534**	$ 8,919	$ 5,736	$ 17,084	$ 8,603	$ 1,396
Investment Income – TAH Fair Value Adjustment (2)	**12,087**	14,816	18,274	33,514	30,783	(78)
Tricon Equity (at cost)	**$ 273,129**	$ 268,098	$ 286,881	$ 273,550	$ 237,106	$ 141,087
Partner Equity (minority interest at cost)	**18,061**	18,486	26,849	29,471	34,817	11,922
Borrowings	**580,834**	556,000	351,674	320,544	137,629	8,161
Total Capitalization as at Period/year-end	**$ 872,024**	$ 842,584	$ 665,404	$ 623,565	$ 409,552	$ 161,170
Capitalization (net of cash) (3)	**$ 835,640**	$ 796,259	$ 637,890	$ 598,468	$ 381,139	$ 155,051
Cost of Investment Properties	**829,771**	786,226	623,743	595,180	374,796	138,322
Fair Value Adjustment (4)	**$ 12,735**	$ 14,932	$ 24,134	$ 49,927	$ 35,567	$ 257
Cumulative Fair Value Adjustment (4)	**137,061**	124,326	109,394	85,260	35,824	257
Cumulative Fair Value Adjustment/Total Capitalization at Period-end	**16%**	15%	16%	14%	9%	0%
Fair Value Investment Properties (4)	**$ 966,832**	$ 910,552	$ 733,137	$ 680,440	$ 410,620	$ 138,579
Fair Value Investment Properties (net of imputed selling costs)	**957,164**	901,446	725,806	673,980	406,514	138,579
Capital Expenditures (5)	**$ 6,361**	$ 7,618	$ 13,230	$ 69,393	$ 32,489	$ 5,568
Cumulative Capital Expenditures (5)	**134,659**	128,298	120,680	107,450	38,057	5,568

(1) Balances restated due to revision of Net Operating Income ("NOI") definition in Q1 2014; NOI is based on year-to-date financial performance.
(2) Represents the fair value adjustment after deducting imputed selling costs, potential performance fee payable to the rental operators and fair value adjustment on inventory homes.
(3) Capitalization net of cash is used to purchase investment properties and fund working capital and other items.
(4) Represents the fair value before deducting imputed selling costs, which is approximately 1% of the total fair value; FVA is based on the Fair Value before imputed selling costs.
(5) Capex data for Q1 2013 and earlier are approximations.

Tricon Lifestyle Communities

The following TLC Balance Sheet is representative of the financial position of the entire portfolio and **includes** both Tricon's ownership stake and non-controlling interest.

Table 33: Summary of Tricon Lifestyle Communities Balance Sheets

(in thousands of U.S. dollars)

		Sept. 30, 2015		Dec. 31, 2014
Investment Properties	**$**	**23,948**	$	14,205
Deferred Income Tax Assets		**205**		479
Other Assets [(1)]		**2,478**		627
Total Assets		**26,631**		15,311
Current Liabilities		**636**		371
Other Long-Term Liabilities [(2)]		**98**		–
Bank Loans		**15,800**		10,575
Total Liabilities		**16,534**		10,946
Net Assets – Tricon Lifestyle Communities	**$**	**10,097**	$	4,365
Investments – Tricon Lifestyle Communities	**$**	**9,881**	$	4,246
Non-controlling interest	**$**	**216**	$	119

(1) Other Assets represent working capital and income tax receivable balances.
(2) Represents the value of preferred shares which were issued in conjunction with the restructuring of TLC into a REIT.

The following TLC Income statement is representative of the performance of the entire portfolio and **includes** both Tricon's ownership stake and non-controlling interest.

Table 34: Tricon Lifestyle Communities Income Statements

(in thousands of US dollars)

For the Periods Ended September 30

	Three Months						Nine Months					
		2015		2014		Variance		2015		2014		Variance
Rental Revenue	**$**	**651**	$	172	$	479	**$**	**1,550**	$	172	$	1,378
Property Taxes		**38**		7		31		**96**		7		89
Property Insurance		**12**		3		9		**27**		3		24
Repairs and Maintenance		**27**		13		14		**61**		13		48
Utilities		**92**		17		75		**208**		17		191
Property- level Management and Personnel		**51**		12		39		**131**		12		119
Property Management Fees		**17**		6		11		**51**		6		45
Rental Expenses		**237**		58		179		**574**		58		516
TLC Net Operating Income ("TLCNOI")	**$**	**414**	$	114	$	300	**$**	**976**	$	114	$	862
Gain from Sale of Homes	**$**	**2**	$	1	$	1	**$**	**7**	$	1	$	6
Professional Fees		**(12)**		(3)		(9)		**(25)**		(3)		(22)
Asset Management Fees		**(28)**		(6)		(22)		**(70)**		(6)		(64)
General and Administration Expenses		**(34)**		(21)		(13)		**(79)**		(21)		(58)
TLC Fair Value Adjustments		**342**		85		257		**809**		85		724
TLC Net Income ("TLCNI")	**$**	**342**	$	85	$	257	**$**	**809**	$	85	$	724

(1) The financial results for 2014 are for the period from August 27, 2014 to September 30, 2014.
(2) In Q4 2014, TLCNOI was redefined and no longer includes the general and administration expense incurred at Cobblestone.

The following table reconciles Realized Investment Income – TLC as presented in this MD&A to Investment Income – TLC per the Financial Statements.

Table 35: Tricon Lifestyle Communities Reconciliation to Financial Statements

(in thousands of U.S. dollars)

For the Periods Ended September 30	Three Months			Nine Months		
	2015	**2014 (1)**	**Variance**	**2015**	**2014 (1)**	**Variance**
TLC Net Income Before Fair Value Adjustments	**$ 342**	$ 85	$ 257	**$ 809**	$ 85	$ 724
Corporate-Level Expenses						
Professional Fees	**(19)**	–	(19)	**(19)**	–	(19)
General and Administration Expenses	**(5)**	(56)	51	**(19)**	(56)	37
Non-controlling Interest Realized	**(9)**	13	(22)	**(17)**	13	(30)
Investment Income – TLC per MD&A	**309**	42	267	**754**	42	712
Reconciling items to Financial Statements						
Interest Expense	**(178)**	(45)	(133)	**(422)**	(45)	(377)
Tax Recovery (Expense) (3)	**(71)**	193	(264)	**(531)**	193	(724)
Unrealized Foreign Exchange	**35**	92	(57)	**35**	92	(57)
Financial Costs (4)	**(18)**	(365)	347	**(142)**	(365)	223
Non-recurring Transaction Costs (5)	**(8)**	(139)	131	**(306)**	(139)	(167)
Investment Income – TLC per Financial Statements	**$ 69**	$ (222)	$ 291	**$ (612)**	$ (222)	$ (390)

(1) The financial results for 2014 are for the period from August 27, 2014 to September 30, 2014.

(2) IFRS adjustment to prepaid assets, no impairment to the investment property.

(3) In Q2 2015, TLC tax expense included a one-time adjustment related to prior year formation of joint venture and projects.

(4) Non-recurring professional fees paid related to obtaining the debt facility.

(5) One-time professional fees related to formation of the joint venture and projects.

The following table translates the financial results presented in U.S. dollars in Table 2: Selected Adjusted Income Statement Information.

Table 36: Adjusted Net Income Statement in Canadian Dollars

(in thousands of dollars, except for per share amounts)

	Three Months		Nine Months	
For the Periods Ended September 30, 2015	**In USD**	**In CAD (1)**	**In USD**	**In CAD (1)**
Contractual Fees	$ 7,281	$ 9,533	$ 17,905	$ 22,658
General Partner Distributions	320	419	975	1,228
Investment Income – THP	5,400	7,070	18,477	23,294
Investment Income – TAH	7,534	9,864	22,189	27,949
Investment Income – TLC	309	405	754	945
Investment Income – TLR	1	1	3	3
Interest Income	28	37	47	61
Adjusted Base Revenues	**20,873**	**27,329**	**60,350**	**76,138**
Salaries and Benefits	3,099	4,058	8,549	10,790
Professional Fees	539	706	1,575	1,985
Directors' Fees	43	56	322	401
General and Administration	618	809	2,030	2,552
Non-Controlling Interest	1,180	1,545	2,285	2,910
Adjusted Base Operating Expenses	**5,479**	**7,174**	**14,761**	**18,638**
Adjusted Base EBITDA	**15,394**	**20,155**	**45,589**	**57,500**
Annual Incentive Plan	(1,682)	(2,202)	(4,570)	(5,768)
Investment Income – TAH Fair Value Adjustment	12,087	15,826	45,177	56,723
Performance Fees	37	48	47	60
Performance Fee-Related Bonus Pool (LTIP)	(641)	(839)	(1,750)	(2,210)
Adjusted EBITDA	**25,195**	**32,988**	**84,493**	**106,305**
Stock Option Expense	(516)	(676)	(863)	(1,104)
Interest Expense	(7,118)	(9,320)	(19,381)	(24,466)
Amortization Expense	(872)	(1,142)	(2,803)	(3,531)
Adjusted Net Income Before Taxes	**16,689**	**21,850**	**61,446**	**77,204**
Income Tax Expense	(4,692)	(6,143)	(11,319)	(14,357)
Adjusted Net Income	**$ 11,997**	**$ 15,707**	**$ 50,127**	**$ 62,847**
Adjusted Basic Earnings Per Share	**$ 0.12**	**$ 0.16**	**$ 0.54**	**$ 0.68**
Adjusted Diluted Earnings Per Share	**$ 0.10**	**$ 0.14**	**$ 0.45**	**$ 0.56**
Weighted Average Shares Outstanding – Basic	**97,311,968**	**97,311,968**	**92,838,561**	**92,838,561**
Weighted Average Shares Outstanding – Diluted	**115,916,032**	**115,916,032**	**111,353,101**	**111,353,101**

(1) Financial Results in Canadian dollars for the three months ended September 30, 2015 were translated using the average closing exchange rate of CAD/USD 1.3093.

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