TRICON

Tricon Capital Group Inc.

Management's Discussion and Analysis

of Results of Operations and Financial Condition
for the Three and Six Months Ended June 30, 2015

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1. Introduction

This Management's Discussion and Analysis ("MD&A") is dated as of August 12, 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 six months ended June 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 six months ended June 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: 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$3.2 billion) of assets under management as of August 12, 2015. 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", formerly "Land and Homebuilding") – 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", formerly "Single-Family Rental") – Investment in U.S. single-family rental ("SFR") homes across various states.

(iii) Tricon Lifestyle Communities ("TLC", formerly "Manufactured Housing Communities") – 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") on behalf of TLR.

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

- Tricon Housing Partners US LP ("THP1 US", formerly Tricon IX LP)
- Tricon Housing Partners US II LP ("THP2 US", formerly Tricon XI LP)
- Tricon Housing Partners Canada LP ("THP1 Canada", formerly Tricon VIII LP)
- Tricon Housing Partners Canada II LP ("THP2 Canada", formerly Tricon X LP)
- Tricon Housing Partners Canada III LP ("THP3 Canada", formerly Tricon XII LP)
- Separate accounts include Cross Creek Ranch, Fulshear Farms, Grand Central Park (formerly Grand Lakes), Trilogy at Verde River (formerly Tegavah), The Selby and Viridian
- U.S. side-cars include Trilogy at Vistancia West (formerly Vistancia West), Arantine Hills and Trilogy Lake Norman (formerly 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' 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 one to two homes per day per active market.

TAH's acquisition program is currently focused on some of the fastest growing markets in Texas and the Southeast United States. The Company continues to see opportunities to buy high-quality homes in desirable neighbourhoods at average cap rates of approximately 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 investment subsidiary, 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

Tricon Luxury Residences, the Company's recently announced strategic initiative, will focus on acquisition, development and management of Class A purpose-built rental apartments across the United States and Canada. Tricon has a successful track record investing in the multi-family development sector and experience in managing single-family rental properties, and intends to leverage its relationships and expertise to build an operating 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 and capitalizing the platform 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 intends to underwrite projects on a ten-year business plan and is targeting 15–20% IRRs, 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 between TLR US and SLR 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 initially partnering with a large institutional investor 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 possible performance fees to Tricon. Tricon has formed a wholly-owned subsidiary named Tricon Development Group Ltd. ("TDG") to act as a principal developer for all purpose-built rental buildings in Toronto. For its role as development manager, TDG expects to earn management fees from each project equating to approximately 3.5% of total development costs. TDG will retain an experienced third-party construction manager to oversee the direct construction of all development projects. TLR Canada will also evaluate additional development opportunities in other cities across Canada, such as Vancouver and Calgary. 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), 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 20,000 residential lots and 1,250 acres of commercial land managed by Johnson.

Tricon Development Group

Tricon Development Group, the Company's wholly-owned subsidiary, 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 will oversee the development and construction of projects located in Toronto. TDG will also retain 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 US dollars, except for per share amounts)

For the Periods Ended June 30	Three Months			Six Months		
	2015	2014	Variance	2015	2014	Variance
Selected Financial Statements Information						
Net Income (Loss)[1]	$ 7,234	$ (11,848)	$ 19,082	$ (3,682)	$ 16,773	$ (20,455)
Basic Earnings (Loss) Per Share	0.08	(0.13)	0.21	(0.04)	0.18	(0.22)
Diluted Earnings (Loss) Per Share	0.04	(0.13)	0.17	(0.04)	0.18	(0.22)
Weighted Average Basic Shares Outstanding	90,789,370	91,016,558	(227,188)	90,708,723	90,931,830	(223,107)
Weighted Average Diluted Shares Outstanding[2]	109,644,821	92,089,596	17,555,225	92,121,070	92,008,997	112,073
Selected MD&A Financial Information						
Adjusted Base Revenue	$ 15,355	$ 16,118	$ (763)	$ 39,477	$ 43,746	$ (4,269)
Adjusted EBITDA	23,357	13,735	9,622	59,298	45,043	14,255
Adjusted Net Income	15,082	8,202	6,880	38,130	28,263	9,867
Adjusted Basic Earnings Per Share	0.17	0.09	0.08	0.42	0.31	0.11
Adjusted Diluted Earnings Per Share	0.14	0.07	0.07	0.35	0.26	0.09
Dividends Per Share	C$ 0.06	C$ 0.06	–	C$ 0.12	C$ 0.12	–
Weighted Average Basic Shares Outstanding	90,789,370	91,016,558	(227,188)	90,708,723	90,931,830	(223,107)
Weighted Average Diluted Shares Outstanding	109,644,821	109,477,606	167,215	109,470,297	109,397,008	73,289
Assets Under Management				$ 2,342,593	$ 1,875,694	$ 466,899
Selected Segment Information						
Principal Investments						
Tricon Housing Partners						
Assets Under Management				$ 331,471	$ 343,617	$ (12,146)
Investment Income – THP[3]	$ 648	$ 6,750	$ (6,102)	13,077	27,586	(14,509)
Tricon American Homes						
Assets Under Management				$ 912,177	$ 560,336	$ 351,841
Investment Income – TAH	$ 8,919	$ 4,286	$ 4,633	14,655	7,575	7,080
Investment Income – TAH Fair Value Adjustment	14,816	3,136	11,680	33,090	10,955	22,135
Net Operating Income	11,325	6,959	4,366	20,082	12,467	7,615
Gross Margin[4]				62%	63%	(1%)
Number of Homes				6,513	4,274	2,239
In-place Occupancy				94%	85%	9%
Occupancy for homes owned 6+ months				94%	94%	0%
Tricon Lifestyle Communities						
Assets Under Management				$ 23,697	$ –	$ 23,697
Investment Income – TLC	$ 240	$ –	$ 240	445	–	445
Net Operating Income	316	–	316	562	–	562
Gross Margin[4]				63%	62%	1%
Number of Pads				506	–	506
In-place Occupancy				87%	–	87%
Tricon Luxury Residences						
Assets Under Management				$ 4,362	$ –	$ 4,362
Investment Income – TLR	$ 2	$ –	$ 2	2	–	2
Private Funds and Advisory						
Assets Under Management				$ 1,070,886	$ 971,741	$ 99,145
Contractual Fees	$ 5,211	$ 4,730	$ 481	10,624	7,556	3,068
Contractual Fees (Excluding Johnson)	3,068	2,848	220	6,213	5,674	539
General Partners Distributions	331	340	(9)	655	1,001	(346)

(1) Net Income for the six months ended June 30, 2015 includes a $32.0 million fair value loss of derivative financial instruments (gain of $1.9 million for the same period in 2014); and $9.5 million foreign exchange gain (gain of $1.6 million in 2014). In Q2 2015, fair value gain on derivative financial instruments was $5.9 million (Q2 2014 – $0.1 million); Foreign exchange loss for Q2 2015 was $1.2 million (Q2 2014 – loss of $19.5 million).

(2) Per IFRS, potential shares from convertible debentures that are considered to be anti-dilutive are excluded from the diluted share count.

(3) Investment Income from THP of $0.6 million for Q2 2015 included a fair value decrease in THP1 US as the Faria Preserve cash flows were deferred.

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

Financial Highlights

Refer to Section 3, Financial Review and Section 4, Segment Review for detailed analysis.

Adjusted Base Revenue decreased by $4.3 million or 10% to $39.5 million for the six months ended June 30, 2015, compared to $43.7 million for the six months ended June 30, 2014. Adjusted Base Revenue decreased by $0.8 million or 5% to $15.4 million for the three months ended June 30, 2015 ("Q2 2015") from $16.1 million in the same period in 2014 ("Q2 2014"), due to the following:

- Investment Income from THP decreased by $14.5 million or 53% to $13.1 million for the first six months in 2015 compared to $27.6 million for the same period in 2014. In Q2 2015, Investment Income from THP decreased by 90% or $6.1 million to $0.6 million compared to $6.8 million for Q2 2014.

- The decrease was largely driven by the delay in the timing of projected cash flows received from Faria Preserve, now expected in the first half of 2016 (with additional payments after 2016) as per an executed agreement of purchase and sale with a large public homebuilder. The timing is later than previously projected, resulting in a decrease in fair market value of $6.6 million associated with the delay in realized cash flows. In spite of these changes, the overall proceeds are in line with management's expectation.

- In addition, the decrease of THP Investment Income was caused by a reduction in the outstanding capital balance of THP Co-investments, as investments were realized and distributions were received.

The above decrease in Adjusted Base Revenue was offset by the following:

- For the six months ended June 30, 2015, Contractual Fees increased by $3.1 million or 41% to $10.6 million, compared to $7.6 million for the same period in 2014, primarily due to the acquisition of a majority interest in Johnson on April 15, 2014. Excluding Johnson, Contractual Fees increased by 9% or $0.5 million as a result of Contractual Fees received from the new separate account and side-car investments added in 2014 and 2015.

- Investment Income from TAH increased by $7.1 million or 93% to $14.7 million for the six months ended June 30, 2015 from $7.6 million for the same period in 2014. The portfolio of rental homes owned has grown by 52% to 6,513 homes as at June 30, 2015, compared to 4,274 homes as at June 30, 2014. The in-place occupancy increased by 9% to 94% as at June 30, 2015, compared to 85% as at June 30, 2014. Year-to-date NOI Gross Margin decreased to 62% as at June 30, 2015 compared to full-year NOI margin of 63% in 2014.

- For the first six months of 2015, TLC generated Investment Income of $0.4 million. In May 2015, TLC acquired an asset in Phoenix, Arizona for $9.3 million.

Adjusted EBITDA increased by $14.3 million or 32% to $59.3 million for the six months ended June 30, 2015 compared to $45.0 million for the same period in 2014. Adjusted EBITDA for Q2 2015 increased $9.6 million or 70% to $23.4 million compared to $13.7 million for Q2 2014. The increase was primarily driven by the following:

- The fair value of the TAH portfolio increased by $33.1 million in the six months ended June 30, 2015 compared to an increase of $11.0 million in the same period in 2014. In Q2 2015, TAH recognized a fair value gain of $14.8 million compared to $3.1 million in Q2 2014. In Q2 2015, the majority of homes were valued using the Home Price Indexes ("HPI") methodology.

- This was offset by a decrease in Adjusted Base Revenue as described above as well as an increase in Adjusted Base Operating Expenses of $2.4 million over the six months ended June 30, 2014.

Adjusted Net Income increased by $9.9 million or 35% to $38.1 million for the six months ended June 30, 2015 compared to $28.3 million for the same period in 2014. In Q2 2015, Adjusted Net Income increased by $6.9 million or 84% to $15.1 million compared to $8.2 million for Q2 2014.

Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share increased by 35% to $0.42 and $0.35, respectively, for the six months ended June 30, 2015 compared to $0.31 and $0.26 in the corresponding period in 2014. In Q2 2015, Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share increased by 89% and 100% to $0.17 and $0.14, respectively, compared to $0.09 and $0.07 in Q2 2014.

Assets Under Management ("AUM") increased by $467 million, or 25%, to $2.343 billion as at June 30, 2015, compared to $1.876 billion as at June 30, 2014. The separate accounts and side-car investments formed in 2014 and 2015, along with the portfolio acquisition and fair value adjustment of the TAH single-family rental home portfolio, were the primary drivers of the increase.

On June 30, 2015, the Company increased the existing corporate revolving credit facility to $235 million from $175 million, with an option of a further increase to $275 million with the approval of the lenders. The remaining key terms of the credit facility, including pricing and a maturity date of April 2018, remain unchanged.

In Q2 2015, TAH completed a $361.3 million securitization transaction, which involved the issuance and sale of six classes of single-family rental pass-through certificates that represent beneficial ownership interests in a loan secured by 3,505 single-family properties. The securitization transaction has a 70% loan-to-value ratio with a blended effective interest rate of the London Interbank Offered Rate ("LIBOR") plus 196 basis points. The net proceeds of the loan were used to repay the existing debt on the underlying properties, with the balance being utilized to finance the continued growth of the TAH portfolio and for other corporate purposes.

TAH also refinanced its dedicated credit facility, including an increase in leverage to 70% loan-to-cost (from 67.5%), and a reduction in interest rate from three-month LIBOR plus 360 basis points (with a 50 basis point LIBOR floor) to one-month LIBOR plus 300 basis points (with a 25 basis point LIBOR floor). The facility was also downsized from $450 million to $300 million to reflect a portion of the homes that were transferred to the securitization.

On April 15, 2015, TAH completed the acquisition of a portfolio of 1,385 single-family rental homes situated in Texas, North Carolina, and South Carolina for approximately $150 million.

On May 27, 2015, Kevin Baldridge joined Tricon as President of TAH, with responsibility for day-to-day management of all aspects of Tricon's single-family rental home business. Mr. Baldridge has a demonstrated track record of success in property management and operations, acquisitions, strategic planning and marketing. Prior to joining TAH, Mr. Baldridge served as President of Irvine Company Apartment Communities, where his responsibilities included overseeing an apartment portfolio of more than 44,000 rental units and close to 125 communities in California.

Subsequent Events

On July 16, 2015, the Company closed a US$141.4 million investment in an existing active 2,083 acre master planned community in Arlington, Texas known as Viridian. The investment is being made in a new separate account whereby Tricon has committed to invest $25.4 million and an institutional investor has committed $116.0 million.

On July 28, 2015, the Company announced a new strategic initiative focused on the development and management of a portfolio of Class A purpose-built rental apartments across the United States and Canada. This new business vertical is branded as Tricon Luxury Residences ("TLR") and represents the Company's fourth major business line. TLR has secured two U.S. development opportunities in Dallas and Frisco, Texas and one Canadian development opportunity in Toronto, Ontario.

On July 28, 2015, the Company entered into an agreement ("the Offering") with a syndicate of underwriters co-led by RBC Capital Markets and GMP Securities L.P., and including TD Securities Inc., BMO Capital Markets, National Bank Financial Inc., Raymond James Ltd., Canaccord Genuity Corp., CIBC World Markets Inc., Paradigm Capital Inc. and Scotiabank, who have agreed to purchase, on a "bought deal" basis, 13,158,000 common shares at a price of C$11.40 per common share for gross proceeds of C$150 million. The Company has also granted the Underwriters an option, which may be exercised by the Underwriters at any time up to 30 days following the closing of the Offering, to purchase up to an additional 1,973,700 common shares to cover over-allotments, if any, and for market stabilization purposes. The net proceeds of the Offering, including any proceeds from the over-allotment option, 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. The Offering is expected to close on or about August 18, 2015.

On August 10, 2015, TLC entered into a binding contract to purchase a portfolio of five age-restricted communities in the Phoenix MSA which is comprised of 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 August 12, 2015, Wissam Francis was appointed Chief Financial Officer of the Company, effective immediately. Mr. Francis most recently was Tricon's Executive Vice President, Corporate Finance. Prior to joining Tricon, he was a senior member of the Ernst & Young Transaction Real Estate practice and has extensive experience in mergers and acquisitions, corporate finance, and strategy formulation. Prior to joining Ernst & Young, Mr. Francis was the Director of Finance and Acquisitions at First Capital Realty. Mr. Francis has over 15 years of experience in related fields and has been actively involved in various projects and sectors, including retail, industrial, office, residential, mixed-use and development projects. Mr. Francis has a CPA, CMA designation and holds a Master of Business Administration from Wilfrid Laurier University, a Master of Arts in Economics from the University of Waterloo, a Bachelor of Arts in Finance and Economics and an Honours Degree in Economics and Mathematics from the University of Western Ontario.

June Alikhan has stepped down as interim Chief Financial Officer but will stay with the Company through the end of the year to help ensure an orderly transition before officially retiring. Ms. Alikhan will also provide consulting services to Tricon in 2016 and help the Company with special projects.

Tricon also announced that Douglas P. Quesnel has been appointed Chief Accounting Officer of the Company, effective immediately. Mr. Quesnel joined Tricon in 2014 as Vice President – Finance, prior to which he was with Dream Unlimited Corp. where over the previous ten years he served in senior financial executive roles, including Chief Accounting Officer and Chief Financial Officer of Dream Global REIT and Chief Financial Officer of Dream Unlimited Corp. In these roles, Mr. Quesnel was responsible for business planning and analysis, investor relations, financial reporting and tax planning. Mr. Quesnel has a CPA, CA designation and holds a Graduate Diploma in Accounting from McGill University and a Bachelor of Commerce from Concordia University.

On August 12, 2015, the Company declared a dividend of six cents per share in Canadian dollars payable on October 15, 2015 to shareholders of record on September 30, 2015, following approval from the Board of Directors.

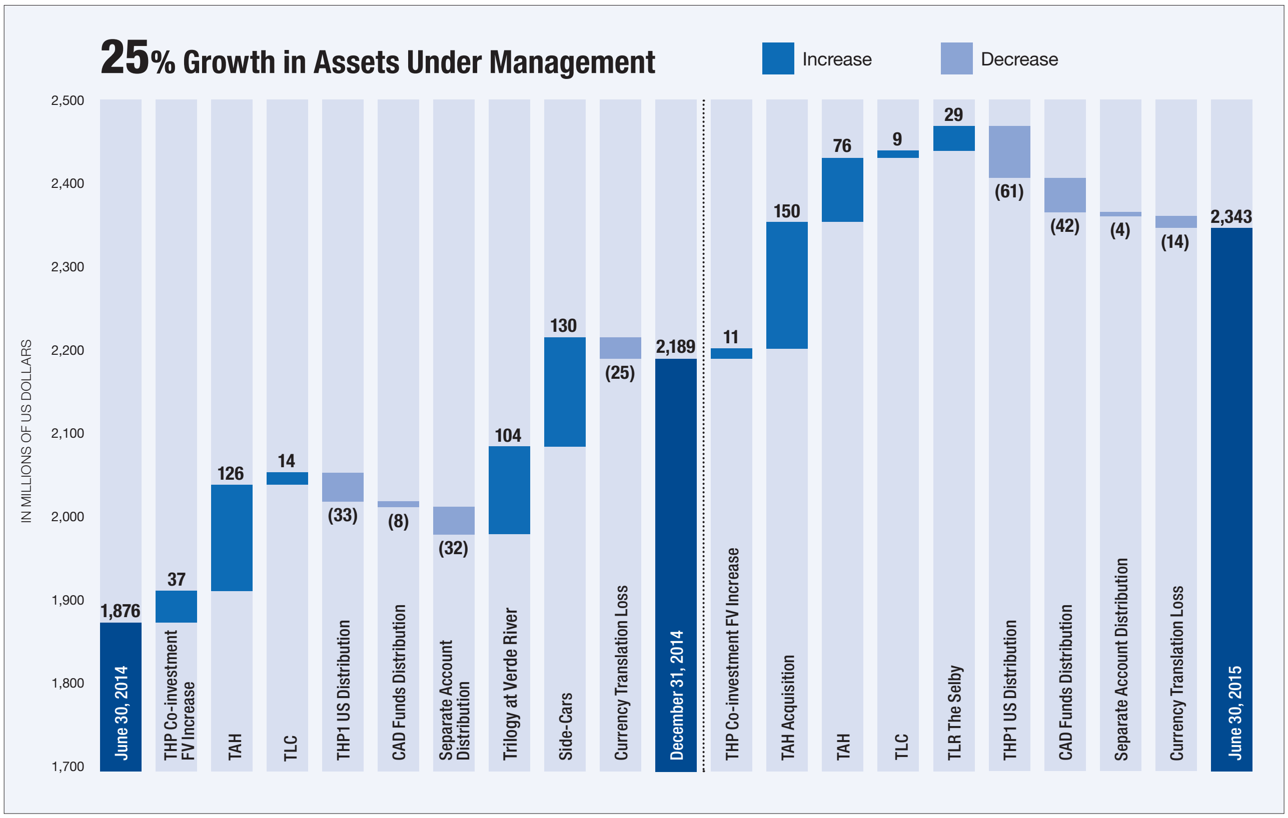
3. Financial Review

Set out below is a comparative review of adjusted financial results for the three and six months ended June 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 six months ended June 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 $2.343 billion as at June 30, 2015, representing an increase of 25% compared to the balance of $1.876 billion as at June 30, 2014 *(refer to Section 8.2, Supplementary Support for Financial Review, Table 19: Assets Under Management)*.

Figure 1: Changes in Assets Under Management



AUM increased by 7% since December 31, 2014, driven by:

- A $150 million acquisition of a portfolio of 1,385 single-family rental homes in April 2015, as well as TAH AUM growth of $76 million from ongoing acquisitions and fair value adjustments
- An increase of $9 million in TLC AUM resulting from the acquisition of an MHC located in Phoenix, Arizona in May 2015
- TLR made its first investment in a development project called "The Selby" (located at 592 Sherbourne Street, Toronto, Ontario). At June 30, 2015, invested capital totaled $29 million, of which $2 million was contributed by Tricon (15% co-investment of total equity contributed)
- An increase of $11 million in THP1 US Co-Investment AUM, attributable to fair value adjustments

The increase was offset by:

- Distributions of $61 million by THP1 US as well as return of capital of $42 million from Canadian funds and $4 million from the Cross Creek Ranch separate account in the first six months of 2015
- The depreciation of the Canadian dollar (from 1.1601 at December 31, 2014 to 1.2490 at June 30, 2015), resulting in a reduction of $14 million.

Subsequent to June 30, 2015, the Company closed Viridian, a separate account investment of $141.4 million, increasing AUM to $2.5 billion as of August 12, 2015 (C$3.2 billion at an exchange rate of 1.2973).

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

Figure 2: Assets Under Management Summary

TRICON
$2.3 billion Assets Under Management

PRINCIPAL INVESTMENTS
$1.2 billion Assets Under Management

Tricon Housing Partners

Investments	AUM ($ millions)	Investment Income ($ millions) YTD Q2 2015	Investment Income ($ millions) YTD Q2 2014
THP1 US	$ 234	$ **10.7**	$ 23.5
THP2 US	28	**0.5**	0.9
Separate accounts	35	**0.5**	1.5
Side-cars	19	**1.1**	(0.1)
THP3 Canada	16	**0.3**	1.8
Total THP	**$ 332**	**$ 13.1**	**$ 27.6**

Tricon American Homes

Investments	AUM ($ millions)	2015 Operating Metrics	
TAH	$ 912	NOI	$ 20.1M
		NOI Margin	62%
		Homes	6,513
		In-place Occupancy	94%
		6M+ Homes Occupancy	94%

Tricon Lifestyle Communities

Investments	AUM ($ millions)	2015 Operating Metrics	
TLC	$ 24	NOI	$ 0.6M
		NOI Margin	63%
		Pads	506
		In-place Occupancy	87%

Tricon Luxury Residences

Investments	AUM ($ millions) YTD Q2 2015	Investment Income ($ millions) YTD Q2 2015
TLR	$ 4	$ –

Total **$ 1,272**

PRIVATE FUNDS AND ADVISORY
$1.1 billion Assets Under Management

Investments	AUM ($ millions)	Projected Gross IRR	Contractual Fees and GP Distributions ($ millions) YTD Q2 2015	Contractual Fees and GP Distributions ($ millions) YTD Q2 2014
United States				
THP1 US	$ 89	14%	$ **1.8**	$ 2.0
THP2 US	309	25%	**1.9**	1.9
Separate accounts	316	22%	**1.1**	0.9
Side-cars	162	23%	**0.7**	–
Johnson	N/A	N/A	**4.4**	1.9
Canada				
THP1 Canada	5	16%	**0.1**	0.3
THP2 Canada	48	15%	**0.4**	0.5
THP3 Canada	106	14%	**0.7**	1.0
Syndicated	36	13%	**0.2**	0.1
Total	**$ 1,071**		**$ 11.3**	**$ 8.6**

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 34: 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 12: Net Income (Loss) as shown in the Consolidated Financial Statements, Table 13: Reconciliation of Net Income to Adjusted Net Income and Table 14: Reconciliation of Investment Income from Financial Statements*.

Table 2: Selected Adjusted Income Statement Information

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

For the Periods Ended June 30	Three Months			Six Months		
	2015	2014	Variance	2015	2014	Variance
Contractual Fees	$ **5,211**	$ 4,730	$ 481	$ **10,624**	$ 7,556	$ 3,068
General Partner Distributions	**331**	340	(9)	**655**	1,001	(346)
Investment Income – THP	**648**	6,750	(6,102)	**13,077**	27,586	(14,509)
Investment Income – TAH	**8,919**	4,286	4,633	**14,655**	7,575	7,080
Investment Income – TLC	**240**	–	240	**445**	–	445
Investment Income – TLR	**2**	–	2	**2**	–	2
Interest Income	**4**	12	(8)	**19**	28	(9)
Adjusted Base Revenues	**15,355**	16,118	(763)	**39,477**	43,746	(4,269)
Salaries and Benefits	**2,734**	2,160	(574)	**5,450**	3,714	(1,736)
Professional Fees	**524**	724	200	**1,036**	1,203	167
Directors' Fees	**117**	73	(44)	**279**	219	(60)
General and Administration	**755**	685	(70)	**1,412**	1,271	(141)
Non-Controlling Interest	**516**	483	(33)	**1,105**	483	(622)
Adjusted Base Operating Expenses	**4,646**	4,125	(521)	**9,282**	6,890	(2,392)
Adjusted Base EBITDA	**10,709**	11,993	(1,284)	**30,195**	36,856	(6,661)
Annual Incentive Plan	**(1,625)**	(972)	(653)	**(2,888)**	(2,001)	(887)
Investment Income – TAH Fair Value Adjustment	**14,816**	3,136	11,680	**33,090**	10,955	22,135
Performance Fees	**–**	30	(30)	**10**	30	(20)
Performance Fee-Related Bonus Pool (LTIP)	**(543)**	(452)	(91)	**(1,109)**	(797)	(312)
Adjusted EBITDA	**23,357**	13,735	9,622	**59,298**	45,043	14,255
Stock Option Expense	**(220)**	(210)	(10)	**(347)**	(692)	345
Interest Expense	**(6,344)**	(4,911)	(1,433)	**(12,263)**	(8,971)	(3,292)
Amortization Expense	**(680)**	(466)	(214)	**(1,931)**	(699)	(1,232)
Adjusted Net Income Before Taxes	**16,113**	8,148	7,965	**44,757**	34,681	10,076
Income Tax Expense	**(1,031)**	54	(1,085)	**(6,627)**	(6,418)	(209)
Adjusted Net Income	$ **15,082**	$ 8,202	$ 6,880	$ **38,130**	$ 28,263	$ 9,867
Adjusted Basic Earnings Per Share	$ **0.17**	$ 0.09	$ 0.08	$ **0.42**	$ 0.31	$ 0.11
Adjusted Diluted Earnings Per Share	$ **0.14**	$ 0.07	$ 0.07	$ **0.35**	$ 0.26	$ 0.09
Weighted Average Shares Outstanding – Basic	**90,789,370**	91,016,558	(227,188)	**90,708,723**	90,931,830	(223,107)
Weighted Average Shares Outstanding – Diluted	**109,644,821**	109,477,606	167,215	**109,470,297**	109,397,008	73,289

Adjusted Base Revenue

- **Contractual Fees** increased by $3.1 million or 41% to $10.6 million for the six months ended June 30, 2015 compared to $7.6 million for the six months ended June 30, 2014, primarily due to the inclusion of Johnson's Contractual Fees only for a portion of the period in 2014, from April 15 to June 30, 2014. For the six months ended June 30, 2015, Johnson generated $4.4 million of Contractual Fees, as compared to $1.9 million from April 15 to June 30, 2014. Excluding Johnson, Contractual Fees increased by 9% or $0.5 million, attributable to adding a separate account and two side-car investments in Q3 and Q4 2014 *(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 six months ended June 30, 2015, General Partner Distributions decreased by $0.3 million or 35% to $0.7 million compared to $1.0 million for the same period in 2014. The decrease was a result of the fund's investment period ending in March 2014 and foreign exchange loss. For the three months ended June 30, 2015, General Partner Distributions of $0.3 million (C$0.4 million) were consistent with the same period in the prior year (Q2 2014 – C$0.4 million).

- **Investment Income – Tricon Housing Partners** decreased by $14.5 million or 53% to $13.1 million for the first six months of 2015 compared to $27.6 million for the same period in 2014. In Q2 2015, Investment Income from THP decreased by 90% or $6.1 million to $0.6 million compared to $6.8 million for Q2 2014. The decrease was largely driven by the delay in the timing of projected cash flows received from Faria Preserve, now expected in the first half of 2016 (with additional payments after 2016) as per an executed agreement of purchase and sale with a large public homebuilder. The timing is later than previously projected, resulting in a decrease in fair market value of $6.6 million associated with the delay in realized cash flows. In spite of these changes, the overall proceeds are in line with management's expectation. In addition, the decrease of THP Investment Income was caused by a reduction in the outstanding capital balance of THP Co-investments, as investments were realized and distributions were received.

- **Investment Income – Tricon American Homes** increased by $7.1 million or 93% to $14.7 million for the six months ended June 30, 2015 from $7.6 million for the same period in 2014. The portfolio has grown 52% to 6,513 homes as at June 30, 2015, compared to 4,274 homes as at June 30, 2014. The in-place occupancy increased by 9% to 94% as at June 30, 2015, compared to 85% as at June 30, 2014. Year-to-date Gross Margin decreased to 62% as at June 30, 2015 compared to full-year Gross Margin of 63% in 2014 *(refer to Section 4.3, Tricon American Homes for details)*.

- **Investment Income – Tricon Lifestyle Communities** was $0.4 million for the six months ended June 30, 2015. The investment income for Q2 2015 was $0.2 million, consistent with Q1 2015 *(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 six months ended June 30, 2015 rose by $1.7 million or 47% to $5.5 million compared to $3.7 million for the same period in 2014. An increase of $1.2 million 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 Units ("DSU") Plan and receive all or a portion of their compensation in the form of Independent Director 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** increased by $0.1 million or 11% for the six months ended June 30, 2015 to $1.4 million compared to $1.3 million for the same period in 2014, primarily as a result of the inclusion of Johnson's General and Administration Expenses.

- **Non-Controlling Interest in Johnson** was $1.1 million for the six months ended June 30, 2015. The non-controlling interest in Johnson for Q2 2015 remained consistent with Q1 2015 *(refer to Section 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. The fair value increased by $33.1 million in the six months ended June 30, 2015 compared to $11.0 million in the same period in 2014. In the first six months of 2015, Tricon obtained Broker Price Opinions ("BPOs") for 2,589 homes 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 six months ended June 30, 2015 and in line with expectations.

- **Annual Incentive Plan** ("AIP") increased by $0.9 million or 44% to $2.9 million for the six months ended June 30, 2015 compared to $2.0 million for the same period in 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 20: Compensation Plans for details)*.

- **Performance Fee-Related Bonus Pool (LTIP)** for the six months ended June 30, 2015 consists of LTIP of approximately $1.1 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** decreased by $0.3 million or 50% to $0.3 million for the six months ended June 30, 2015, as a result of a one-time stock option expense recorded in Q1 2014 for employees who left the Company. 10,666 stock options were exercised during the six months ended June 30, 2015. As of June 30, 2015, 2,797,334 stock options were outstanding at an average exercise price per share of C$7.53 *(refer to Section 8.2, Supplementary Support for Financial Review, Table 22: 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 $3.3 million or 37% to $12.3 million for the six months ended June 30, 2015, compared to $9.0 million for the same period in 2014. The increase was primarily due to higher borrowings under the TAH credit facility and corporate credit facility *(refer to Section 5.4, Interest Expense, Table 11: 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 $1.2 million to $1.9 million for the six months ended June 30, 2015 compared to $0.7 million for the same period in 2014 due to the amortization of the Johnson intangible assets.

- **Income Tax Expense** includes corporate income tax as reported in the financial statements as well as the income tax for non-consolidated subsidiaries. The Income Tax Expense for the six months ended June 30, 2015 was $0.2 million or 3% higher than $6.4 million in the same period in 2014. The increase was attributable to higher Adjusted Net Income before taxes, offset by a reduction in the tax rate related to the exit strategy of TAH and TLC business verticals.

Earnings Per Share

- For the six months ended June 30, 2015, Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share increased by 35% to $0.42 and $0.35 compared to $0.31 and $0.26, respectively, for the same period in 2014. In Q2 2015, Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share increased by 89% and 100% to $0.17 and $0.14, respectively, compared to $0.09 and $0.07 in the comparable quarter of 2014. The Weighted Average Basic and Diluted Shares Outstanding for the six months ended June 30, 2015 were 90.7 million and 109.5 million, respectively, compared to 90.9 million and 109.4 million, respectively, for the same period in 2014. The Weighted Average Basic and Diluted Shares Outstanding for Q2 2015 were 90.8 million and 109.6 million, respectively, compared to 91.0 million and 109.5 million, respectively, for the same period in 2014 *(refer to Section 8.2, Supplementary Support for Financial Review, Table 21: Shares Outstanding for details)*.

More information related to Tricon's historical financial information can be found in Table 15 and Table 16 in Section 8.1, Selected Historical Financial Information.

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. Table 3: Quarterly Financial Information by Segment splits Private Funds and Advisory into "Johnson" and "Excluding Johnson" to provide a more meaningful comparison to the prior year. 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 US dollars)

	Principal Investing			Private Funds and Advisory		
For the Three Months Ended June 30, 2015	Tricon Housing Partners	Tricon American Homes	Tricon Lifestyle Communities	Excluding Johnson	Johnson	Total
Adjusted Base Revenues	$ 648	$ 8,919	$ 240	$ 3,405	$ 2,143	$ 15,355
Overhead Allocation	(148)	(2,040)	(55)	(779)	(1,108)	(4,130)
Non-Controlling Interest (Johnson)	–	–	–	–	(516)	(516)
Adjusted Base EBITDA	**500**	**6,879**	**185**	**2,626**	**519**	**10,709**
Annual Incentive Plan	(79)	(1,097)	(30)	(419)	–	(1,625)
Investment Income – Fair Value Adjustment	–	14,816	–	–	–	14,816
Performance Fee-Related Bonus Pool (LTIP)	(543)	–	–	–	–	(543)
Adjusted EBITDA	**$ (122)**	**$ 20,598**	**$ 155**	**$ 2,207**	**$ 519**	**$ 23,357**
Segment Adjusted Base EBITDA/ Total Adjusted Base EBITDA	4.8%	64.2%	1.7%	24.5%	4.8%	100.0%
Segment Adjusted EBITDA/ Total Adjusted EBITDA	(0.5%)	88.2%	0.7%	9.4%	2.2%	100.0%
For the Three Months Ended June 30, 2014						
Adjusted Base Revenues	$ 6,750	$ 4,286	$ –	$ 3,200	$ 1,882	$ 16,118
Overhead Allocation	(1,294)	(821)	–	(613)	(914)	(3,642)
Non-Controlling Interest (Johnson)	–	–	–	–	(483)	(483)
Adjusted Base EBITDA	**5,456**	**3,465**	**–**	**2,587**	**485**	**11,993**
Annual Incentive Plan	(460)	(293)	–	(219)	–	(972)
Investment Income – Fair Value Adjustment	–	3,136	–	–	–	3,136
Performance Fees	–	–	–	30	–	30
Performance Fee-Related Bonus Pool (LTIP)	(437)	–	–	(15)	–	(452)
Adjusted EBITDA	**$ 4,559**	**$ 6,308**	**$ –**	**$ 2,383**	**$ 485**	**$ 13,735**
Segment Adjusted Base EBITDA/ Total Adjusted Base EBITDA	45.5%	28.9%	N/A	21.6%	4.0%	100.0%
Segment Adjusted EBITDA/ Total Adjusted EBITDA	33.3%	45.9%	N/A	17.3%	3.5%	100.0%
Adjusted EBITDA (Variance $)	**$ (4,681)**	**$ 14,290**	**$ 155**	**$ (176)**	**$ 34**	**$ 9,622**
Adjusted EBITDA (Variance %)	**(103%)**	**227%**	**N/A**	**(7%)**	**7%**	**70%**

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

(in thousands of US dollars)

	Principal Investing			Private Funds and Advisory		
For the Six Months Ended June 30, 2015	Tricon Housing Partners	Tricon American Homes	Tricon Lifestyle Communities	Excluding Johnson	Johnson	Total
Adjusted Base Revenues	$ 13,077	$ 14,655	$ 445	$ 6,889	$ 4,411	$ 39,477
Overhead Allocation	(2,231)	(2,500)	(76)	(1,175)	(2,195)	(8,177)
Non-Controlling Interest (Johnson)	–	–	–	–	(1,105)	(1,105)
Adjusted Base EBITDA	**10,846**	**12,155**	**369**	**5,714**	**1,111**	**30,195**
Annual Incentive Plan	(1,077)	(1,207)	(37)	(567)	–	(2,888)
Investment Income – Fair Value Adjustment	–	33,090	–	–	–	33,090
Performance Fees	–	–	–	10	–	10
Performance Fee-Related Bonus Pool (LTIP)	(1,104)	–	–	(5)	–	(1,109)
Adjusted EBITDA	**$ 8,665**	**$ 44,038**	**$ 332**	**$ 5,152**	**$ 1,111**	**$ 59,298**
Segment Adjusted Base EBITDA/ Total Adjusted Base EBITDA	35.9%	40.3%	1.2%	18.9%	3.7%	100.0%
Segment Adjusted EBITDA/ Total Adjusted EBITDA	14.6%	74.2%	0.6%	8.7%	1.9%	100.0%
For the Six Months Ended June 30, 2014						
Adjusted Base Revenues	$ 27,586	$ 7,575	$ –	$ 6,703	$ 1,882	$ 43,746
Overhead Allocation	(3,619)	(994)	–	(880)	(914)	(6,407)
Non-Controlling Interest (Johnson)	–	–	–	–	(483)	(483)
Adjusted Base EBITDA	**23,967**	**6,581**	**–**	**5,823**	**485**	**36,856**
Annual Incentive Plan	(1,320)	(362)	–	(319)	–	(2,001)
Investment Income – Fair Value Adjustment	–	10,955	–	–	–	10,955
Performance Fees	–	–	–	30	–	30
Performance Fee-Related Bonus Pool (LTIP)	(782)	–	–	(15)	–	(797)
Adjusted EBITDA	**$ 21,865**	**$ 17,174**	**$ –**	**$ 5,519**	**$ 485**	**$ 45,043**
Segment Adjusted Base EBITDA/ Total Adjusted Base EBITDA	65.0%	17.9%	N/A	15.8%	1.3%	100.0%
Segment Adjusted EBITDA/ Total Adjusted EBITDA	48.5%	38.1%	N/A	12.3%	1.1%	100.0%
Adjusted EBITDA (Variance $)	**$ (13,200)**	**$ 26,864**	**$ 332**	**$ (367)**	**$ 626**	**$ 14,255**
Adjusted EBITDA (Variance %)	**(60%)**	**156%**	**N/A**	**(7%)**	**129%**	**32%**

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 $32.3 million to $284.8 million as at June 30, 2015 from $317.1 million as at December 31, 2014.

The decrease was caused by distributions received from THP co-investments offset by new investments added. THP1 US Co-Investment distributions received in the first six months of 2015 were $41.5 million (68.4% of the total THP1 US distribution of $60.8 million) for a total of $113.7 million since August 2013 *(refer to Section 8.2, Supplementary Support for Financial Review, Table 25: THP1 US Asset Overview for details)*. Fund projects remain on track to deliver approximately $278.7 million in net cash flow to Tricon post Q2 2015 to 2018. THP3 Canada Co-Investment distributed $1.6 million (C$2.0 million) during the first six months of 2015. The decrease in investment was offset by the 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 US dollars)	
	Currency	Tricon Commitment	Advances	Unfunded Commitment	Distributions	June 30, 2015	Dec. 31, 2014
THP1 US	US	$ 226,775	$ 272,970	$ 19,120	$ 113,728	$ 219,748	$ 255,439
THP2 US	US	25,000	13,078	11,922	–	18,621	16,464
Cross Creek Ranch	US	14,400	12,673	1,727	12,590	9,533	9,787
Fulshear Farms	US	5,000	3,155	1,845	553	3,179	3,179
Grand Central Park	US	8,075	6,898	1,177	3,309	6,491	6,124
Trilogy at Verde River	US	10,350	5,159	5,191	1,364	5,775	4,325
Trilogy at Vistancia West	US	4,950	2,972	1,978	1,274	3,681	2,975
Trilogy Lake Norman	US	4,330	1,868	2,462	529	2,151	1,158
Arantine Hills	US	8,600	6,564	2,036	712	6,563	6,507
Total US		**307,480**	**325,337**	**47,458**	**134,059**	**275,742**	**305,958**
THP3 Canada	CA	20,000	11,025	8,975	2,027	9,103	11,165
Total CA		**20,000**	**11,025**	**8,975**	**2,027**	**9,103**	**11,165**
Investments – THP						**$ 284,845**	**$ 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 US dollars)

For the Periods Ended June 30	Three Months			Six Months		
	2015	2014	Variance	2015	2014	Variance
THP1 US Co-Investment	**$ (431)**	$ 5,587	$ (6,018)	**$ 10,769**	$ 23,545	$ (12,776)
THP2 US Co-Investment	**190**	138	52	**471**	897	(426)
THP3 Canada Co-Investment	**363**	145	218	**280**	1,848	(1,568)
Separate Accounts/Side-Cars	**526**	880	(354)	**1,557**	1,296	261
Total Investment Income – THP	**$ 648**	$ 6,750	$ (6,102)	**$ 13,077**	$ 27,586	$ (14,509)

As shown in the table above, Total Investment Income – THP for Q2 2015 decreased by 90% or $6.1 million to $0.6 million compared to $6.8 million for Q2 2014. The decrease was largely driven by:

- A loss of $0.4 million in THP1 US Co-investment or a $6.0 million decrease compared to Q2 2014. The decrease was largely driven by the delay in the timing of projected cash flows received from Faria Preserve, now expected in the first half of 2016 (with additional payments after 2016) as per an executed agreement of purchase and sale with a large public homebuilder. The timing is later than previously projected, resulting in a decrease in fair market value of $6.6 million associated with the delay in realized cash flows. In spite of these changes, the overall proceeds are in line with management's expectation.

- A reduction in the outstanding capital balance of THP Co-investments, as investments were realized and distributions were received.

The following table shows the units sold since inception and available inventory by market.

Table 7: Summary of Units by Market

As of June 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.)
US										
Northern California	–	1,240	457	526	–	–	951	379	327	–
Southern California	–	2,081	315	72	–	–	16	265	11	–
Phoenix, Arizona	112	5,687	2,453	–	–	–	501	489	–	–
Austin, Texas	–	–	–	415	–	–	–	–	–	–
Dallas, Texas	61	–	–	365	–	61	–	–	–	–
Houston, Texas	668	8,620	–	–	–	221	1,260	–	–	–
Southeastern Florida	–	–	653	–	–	–	–	653	–	–
Charlotte, North Carolina	12	124	1,058	–	–	–	–	–	–	–
Atlanta, Georgia	–	333	743	69	8,998	–	–	373	69	8,998
Total US	**853**	**18,085**	**5,679**	**1,447**	**8,998**	**282**	**2,728**	**2,159**	**407**	**8,998**
Canada										
Vancouver, British Columbia	–	–	–	1,251	56,295	–	–	–	768	56,295
Calgary, Alberta	98	2,514	486	901	171,650	45	751	264	402	–
Edmonton, Alberta	215	1,599	–	–	–	62	895	–	–	–
Toronto, Ontario	–	–	–	3,570	108,780	–	–	–	3,490	59,138
Total Canada	**313**	**4,113**	**486**	**5,722**	**336,725**	**107**	**1,646**	**264**	**4,660**	**115,433**
Total Units as at June 30, 2015	**1,166**	**22,198**	**6,165**	**7,169**	**345,723**	**389**	**4,374**	**2,423**	**5,067**	**124,431**
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 23: 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.

Vida, the second condominium development in the San Francisco portfolio, was essentially sold out with 113 of 114 units sold or under contract by the end of Q2 2015. In Q2 2015, Vida made a total of $37.0 million in distributions to THP1 US.

Rockwell, the third condominium in the San Francisco portfolio, launched sales in April 2015 and recorded 116 sales during the quarter at an average price of approximately $1,200 per square foot.

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

(Refer to Section 8.2, Supplementary Support for Financial Review, Table 23: Detailed Units by Investment/Market for details.)

THP2 US

In Q2 2015, the fund closed on a new high-density residential project in the Litchfield Park submarket of Phoenix, Arizona (an upscale community in West Phoenix that is centred around the newly renovated 400-acre Wigwam resort), completing the investment program for the fund.

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). Following a slower than expected 2014, new home sales in the Phoenix market rebounded in Q2 2015 as Santa Rita achieved 14 sales and Trilogy at Vistancia West achieved 47 sales. Villa Metro achieved 23 sales in Q2 2015 and Calabasas Village had eight sales during the quarter after a pre-sale launch in Q1 2015.

The remaining investments in the fund are performing in line with their existing business plans with new home sales projected to commence at Smyrna Grove (Atlanta, Georgia) and Trilogy Lake Norman (Charlotte, North Carolina) later in 2015. The remaining fund investments are generally targeted for sales/leasing launches in 2016 with cash distributions expected to be made to fund investors in 2016 and beyond.

Separate Accounts and Side-cars

Home sales at Cross Creek Ranch in Fulshear (Houston MSA), Texas continue to perform in line with 2014 results following a slow January/February opening to the year. Through June 30, 2015, the project has achieved 195 home sales (a decrease of approximately 20% over the same period in 2014) and home sales prices on a per square foot basis remain up slightly from comparable 2014 sales. The project continues to benefit from strong commercial sales interest and the developer expects to close on a number of large commercial tracts within the project later in 2015. While lot sales to builders are well below 2014 figures as a result of significant year-end 2014 deliveries to the homebuilders, commercial sales proceeds and municipal bond revenues will continue to provide meaningful cash flow for the project in late 2015. The project remains the fourth best-selling community in the Houston MSA for the first six months of 2015 (Source: Metrostudy) and remains the top-selling community in the high-growth Katy-South submarket of Houston.

At Trilogy at Vistancia West, home sales continued in Q2 and the project has now sold 112 of the 172 homes released to the market in late 2014 and early 2015. While sales in the Phoenix market remain slower than expected, the project continues to draw significant buyer interest and is the best-selling active adult community in the Phoenix MSA through Q2 2015 (Source: RCLCO). It is expected that closings will commence late this year, although a shortage of skilled construction trades in Phoenix, particularly framing contractors, has made the timely completion of homes more challenging than expected. It is likely that a portion of the home sales that were expected to close in 2015 will be delayed until early 2016 as a result.

At Trilogy Lake Norman, construction continues on initial onsite infrastructure and the homebuyer interest list continues to grow for the project. Sales of new homes within the community are expected to commence in Q3 to a small list of buyers and a grand opening to the public is expected in late Q3 or early 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 (formerly known as Tegavah) continue to make progress as per the existing business plans. It is expected that sales at both Grand Central Park (to homebuilders) and Trilogy at Verde River (to homebuyers) will commence in late 2015 or early 2016.

Canadian Investments

In the Greater Vancouver market, Metrotown's Silver Tower in Burnaby, British Columbia is complete and almost all units have been closed, with final sales and closings scheduled for Q3 2015. The planning work for the second phase of the project, Maywood, is on schedule in anticipation of a Q3 2016 launch. In the Richmond market, construction of Phase One of River Park Place is proceeding according to schedule.

In Alberta, new home sales and absorption have slowed significantly in the first six months of 2015 compared to the same period in 2014. Mahogany, the top-selling master plan in Calgary in 2014 (Source: Urban Development Institute – Alberta Division), has seen new home sales decline 50% year-to-date compared to 2014. To better align with the reduced absorption rates, the 2015 lot development program was revised to eliminate one phase of single-family lots. Despite the slowdown, the developer expects that the opening of the Lake Club amenity centre in June will drive additional homebuyer interest in the community and further differentiate the project from the immediate competition. Similarly, sales at the Verve condo within the Calgary East Village master plan remain low in 2015; this is primarily a result of substantial pre-sales achieved in 2014 and a lack of remaining inventory. Construction of Verve is expected to commence in Q4 2015, at which time the developer and Tricon will evaluate future phase launches.

In Edmonton, Tricon continues to work with its development partners to accelerate project realizations and sales, actively pursuing a number of land sales options within its existing portfolio. Notwithstanding the tempered market, the developers note that demand for entry level product continues to be strong. As such, two of Heritage Valley's builders are currently constructing new show homes for future phases which will help drive traffic to the community and enhance the product mix.

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 investment.

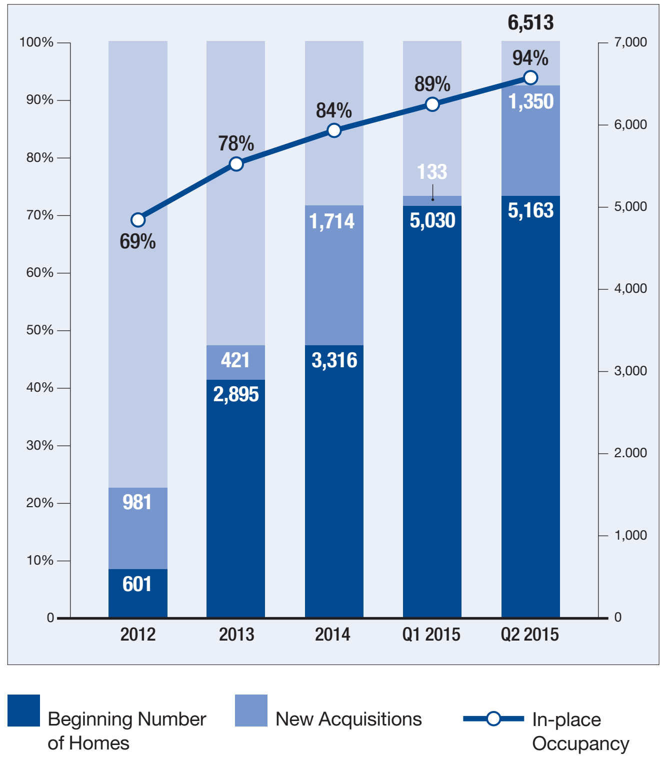
In Toronto, residential units at DNA3, a 605-unit condominium project located in the King West submarket (a THP1 Canada and THP2 Canada investment) closed in Q2 2015, with the final unit closing early in Q3 2015. In addition, the sale of the project's retail space and commercial parking to a large national REIT successfully closed during the quarter. Construction at the two remaining active Toronto projects, Five Condos and Massey Tower, continues to progress in line with approved budgets. First occupancies are expected at Five Condos in Q3 2015 while Massey Tower, a 60-storey residential tower, has just begun construction.

4.3 Tricon American Homes

On April 15, 2015, TAH completed a $150 million acquisition of a portfolio of 1,385 single-family rental homes ("Portfolio Acquisition"). The Portfolio Acquisition brought the total number of homes owned to 6,513 (net of 35 inventory homes sold during the quarter), an increase of 26% compared to the prior quarter. The graph below shows the acquisition schedule since inception through the end of Q2 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. The acquired homes have been renovated to a similar standard as Tricon's existing homes and were leased using a similar underwriting criterion, resulting in a strong strategic fit. Tricon also believes the combined portfolio has the potential to realize incremental operating synergies over time.

Figure 3: Tricon American Homes Acquisition and Occupancy



(1) Refer to Table 30: Summary of Tricon American Homes Metrics in Section 8.2 for detailed historical data.

TAH's in-place occupancy rate increased to 94% as at June 30, 2015, compared to 85% as at June 30, 2014. Occupancy for homes owned six months or more remained consistent at 94%. In-place occupancy as at June 30, 2015 increased by 5% compared to 89% as at March 31, 2015. Occupancy for homes owned six months or more increased by 1% compared to 93% as at March 31, 2015. *(Refer to Section 8.2, Supplementary Support for Financial Review, Table 29: Tricon American Homes Summary Statistics of Rental Portfolio for details.)*

Change to Management Team

On May 27, 2015, Kevin Baldridge joined Tricon as President of TAH, with responsibility for day-to-day management of all aspects of Tricon's single-family rental home business. Mr. Baldridge has a demonstrated track record of success in property management and operations, acquisitions, strategic planning and marketing. Prior to joining TAH, Mr. Baldridge served as President of Irvine Company Apartment Communities, where his responsibilities included overseeing an apartment portfolio of more than 44,000 rental units and close to 125 communities in California.

Financial Performance

Investment – Tricon American Homes increased from $344.2 million as at December 31, 2014 to $363.9 million as at June 30, 2015. The increase was primarily driven by the growth in the number of homes and fair value gains.

In Q2 2015, TAH valued the majority of its properties using the Home Price Indexes ("HPI") methodology. HPI is calculated based on the 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 4.2% over the fair value as at March 31, 2015. TAH also obtained Broker Price Opinions ("BPO") for 332 homes purchased between October 1, 2014 and December 31, 2014 in Atlanta, Tampa, Houston and Southeast Florida.

Invested capital decreased from $273.6 million as at December 31, 2014 to $268.1 million as at June 30, 2015. The decrease was primarily the result of equity repatriated from the securitization transaction and credit facility refinancing, offset by the equity Tricon advanced to TAH to fund the Portfolio Acquisition.

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 Securitization 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 Securitization Loan requires monthly payments of interest and is comprised of 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 Company incurred gross interest expense of $0.7 million since the closing date through June 30, 2015, representing a weighted-average interest rate of 2.08%, which is inclusive of monthly servicing fees.

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

On June 12, 2015, TAH amended its dedicated credit facility with revised terms, including an increase in leverage to 70% loan-to-cost (from 67.5%), and a reduction in interest rate from three-month LIBOR plus 360 basis points (with a 50 basis point LIBOR floor) to one-month LIBOR plus 300 basis points (with a 25 basis point LIBOR floor). The facility was also downsized from $450 million to $300 million to reflect the homes that were transferred to the securitization facility. The balance drawn as of June 30, 2015 was $179.1 million. This credit facility is secured by TAH's ownership interest in the single-family rental homes, with the lenders having no financial recourse to the Company.

(Refer to Section 8.2, Supplementary Support for Financial Review, Table 26: Summary of Tricon American Homes Balance Sheets for details.)

Rental Revenue increased 74% over Q2 2014 to $18.5 million in Q2 2015 as a result of increased occupancy and a meaningfully larger portfolio size.

Net Operating Income rose by $4.4 million or 63% to $11.3 million in Q2 2015 compared to $7.0 million in Q2 2014, and the year-to-date NOI Margin decreased to 62% compared to year-to-date NOI Margin of 63% as at March 31, 2015. *(Refer to the graph on the next page for a summary of TAH's operational results by market.)*

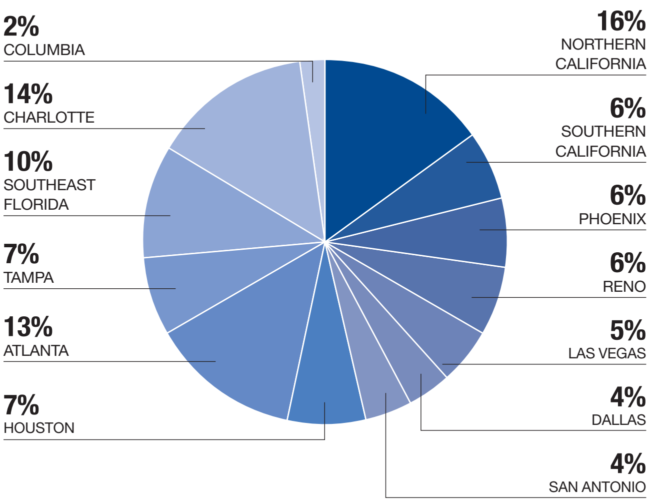
Asset Management Fee Expense was $2.1 million in Q2 2015 and represented approximately 1% of annualized AUM which is in line with management's expectation. Asset Management Fees are paid to the asset management subsidiary, TAH Asset Management LLC, which is majority-owned by Tricon.

TAH Operations LLC Income was $2.5 million in Q2 2015, largely as a result of one-time fee income attributable to the Portfolio Acquisition.

Refer to Section 8.2, Supplementary Support for Financial Review, Table 27: Tricon American Homes Income Statements and Table 28: Tricon American Homes Reconciliation to Financial Statements for details.

Figure 4: Tricon American Homes Operational Results by Market

Net Operating Income by Market



Geography	Q2 2015 NOI (US$000)	In-Place Occupancy	Occupancy (homes owned 6+ Months)	Number of Rental Homes
Northern California	$ 3,030	97%	97%	635
Southern California	1,278	90%	90%	315
Phoenix	1,277	97%	97%	398
Reno	1,214	95%	95%	251
Las Vegas	1,040	95%	95%	258
Dallas	747	94%	N/A	385
San Antonio	725	88%	87%	199
Houston	1,484	89%	72%	669
Tampa	1,401	88%	89%	371
Southeast Florida	1,977	95%	95%	605
Charlotte	2,894	94%	93%	1,236
Columbia	366	89%	N/A	294
Atlanta	2,649	96%	97%	842
Total/Weighted Average	**$20,082**	**94%**	**94%**	**6,458**
Homes held for sale	–	–	–	55
Total/Weighted Average	**$20,082**	**94%**	**94%**	**6,513**

4.4 Tricon Lifestyle Communities

On May 28, 2015, Tricon, through its partnership with Cobblestone, purchased a 100% freehold interest in an MHC located in Apache Junction, Arizona ("Apache MHP"). Apache MHP comprises 17.5 acres of land and 192 residential spaces, of which 86% were occupied as at June 30, 2015. Similar to Longhaven, TLC's first property, 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%.

Below is a summary of the two existing MHCs under TLC and their current financing arrangements:

Property	Location	Acres	Sites	In-place Occupancy	Average Gross Monthly Rent per Site
Longhaven	Phoenix, Arizona	38.0	314	88%	$ 491
Apache MHP	Phoenix, Arizona	17.5	192	86%	465
Total/Average		55.5	506	87%	$ 481

Property	Purchase Price	LTV Ratio	Lender	Interest Rate	Maturity Date	Outstanding Debt as at June 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	5,237
Total/Average	23,370	68%		4.23% fixed		$ 15,812

Investment Income – Tricon Lifestyle Communities increased by 26% to $0.24 million in Q2 2015 compared to $0.20 million for Q1 2015 mainly due to the income generated by the newly acquired Apache property. Since acquisition, the Investment Properties balance increased by $0.3 million (an additional $0.1 million since March 31, 2015) as a result of the capital expenditures incurred *(refer to Section 8.2, Supplementary Support for Financial Review, Table 31, Table 32 and Table 33, Summary of Tricon Lifestyle Communities Financial Information for details)*.

Rental Revenue for Q2 2015 was $0.5 million, which was $0.1 million higher than the rental revenue received in Q1 2015. The increase resulted from the additional rental revenue generated by Apache MHP in June 2015. The in-place occupancy rate as at June 30, 2015 was 87%, which was 1% lower than March 31, 2015.

Net Operating Income for Q2 2015 was $0.3 million, a $0.1 million or 28% increase from $0.2 million for Q1 2015; the increase was a result of the acquisition of Apache MHP completed in Q2 2015. The year-to-date Gross Margin for 2015 was 62.5%, an increase of 1.5% compared to 61% as at March 31, 2015, as a result of a reduction in property management expense.

4.5 Tricon Luxury Residences

United States

TLR US has secured its first development opportunity in Dallas, 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 document and the start of building construction is expected to occur later in Q3 2015.

A second development has also been secured in the fast-growing North Dallas suburbs 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. Closing of the project partnership documents is expected to occur in Q3 2015 with construction of the project expected to commence in mid-2016.

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

Canada

TLR Canada has 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.

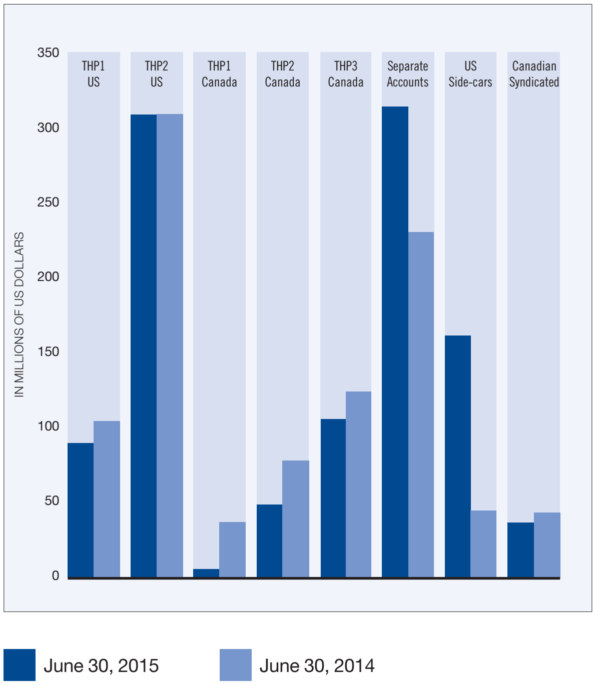
4.6 Private Funds and Advisory

Private Funds and Advisory Assets Under Management increased by 10% or $99 million to $1,071 million compared to $972 million as at June 30, 2014. The increase was largely due to the closing of separate account and side-car investments in 2014 and 2015, offset by the distributions made by THP1 US, Canadian funds and separate accounts.

In Q2 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) led to meaningful distributions in the quarter of $17.2 million (C$21.2 million), $25.2 million (C$31.0 million) and $16.1 million (C$19.8 million) for THP1 Canada, THP2 Canada and THP3 Canada, respectively. As at June 30, 2015, AUM for THP1 Canada was $5.4 million (C$6.7 million), with one investment left to complete.

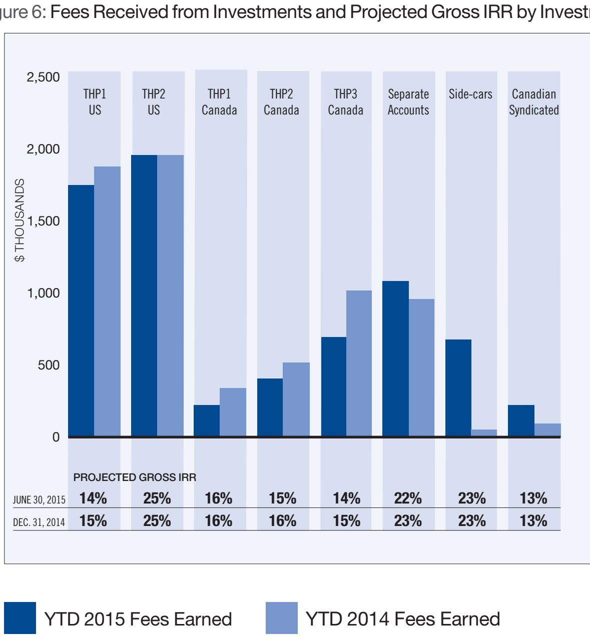
(Refer to the chart below for details of Private Funds and Advisory Assets Under Management as of June 30, 2015 and June 30, 2014.)

Figure 5: Private Funds and Advisory Assets Under Management by Investment



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

Figure 6: Fees Received from Investments and Projected Gross IRR by Investment



Contractual Fees received from Funds, separate accounts, side-car and syndicated investments increased by $0.5 million or 9% to $6.2 million for the six months ended June 30, 2015, compared to $5.7 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) contributed $0.8 million in fee income, which was offset by a decrease in fees received from the funds and separate account investments due to lower invested capital in 2015.

In the first six months of 2015, the General Partner Distributions from THP3 Canada decreased by $0.3 million or 35% to $0.7 million compared to $1.0 million for the same period in 2014 as a result of the investment period ending in March 2014 and a foreign exchange loss. General Partner Distributions for Q2 2015 were consistent with the same period in the prior year.

As of June 30, 2015, the projected Gross IRRs for the funds are between 13% and 25%, which is in line with management's expectations *(refer to Section 8.2, Supplementary Support for Financial Review, Table 24: Summary of Private Funds Financial Data for details)*.

Investment in Johnson

In Q2 2015, Tricon's investment in Johnson earned Adjusted Base EBITDA of $0.5 million from its 50.1% ownership share, $0.1 million lower than Q1 2015. While sequential lot and residential land sales increased by 37% and 35%, respectively, sales were concentrated in smaller and more affordable lots. In addition, lot sales were negatively impacted by unfavourable weather in the spring, which resulted in significant delays in lot development, and commercial sales experienced delays due to a more difficult financing environment as banks have tightened their lending standards in Houston *(refer to Table 8: Financial Information – Johnson below for details)*.

Table 8: Financial Information – Johnson

(in thousands of US dollars)

For the Three Months Ended	June 30, 2015	March 31, 2015	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014 (1)
Financial Results					
Contractual Fees	$ **2,143**	$ 2,268	$ 5,930	$ 2,654	$ 1,882
Adjusted Base Revenues	**2,143**	2,268	5,930	2,654	1,882
Salaries and Benefits	**(959)**	(955)	(1,657)	(1,052)	(693)
Overhead Expenses (2)	**(149)**	(132)	(233)	97	(221)
Adjusted Base Operating Expenses	**(1,108)**	(1,087)	(1,890)	(955)	(914)
Adjusted Base EBITDA	$ **1,035**	$ 1,181	$ 4,040	$ 1,699	$ 968
Tricon Portion	$ **519**	$ 592	$ 2,024	$ 851	$ 485
NCI Portion	$ **516**	$ 589	$ 2,016	$ 848	$ 483
Operational Information					
Lot Sales	**532**	387	519	540	400
Residential Land Sales (acres)	**23**	17	143	116	20
Commercial Land Sales (acres)	**–**	–	181	70	–

(1) The financial results for Q2 2014 are for the period from April 15, 2014 to June 30, 2014, and the operational information for Q2 2014 is from April 1, 2014 to June 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 June 30, 2015, Tricon's net working capital surplus was $12.0 million (excluding bank debt).

Liquidity Management – On June 30, 2015, the Company increased the existing corporate revolving credit facility to $235 million from $175 million. The credit facility may be increased to $275 million with the approval of the lenders. The remaining key terms of the credit facility, including pricing and a maturity date of April 2018, remain unchanged. The credit facility currently includes a syndicate of lenders comprised of Royal Bank of Canada, The Toronto-Dominion Bank, Bank of Montreal, National Bank of Canada, JPMorgan Chase Bank, Alberta Treasury Branches, Raymond James Bank, Canadian Western Bank and Laurentian Bank of Canada.

5.3 Capital Resources

Consolidated Debt Structure and Interest Expenses

Tricon's current debt obligations are as follows:

Table 9: Summary of Debts

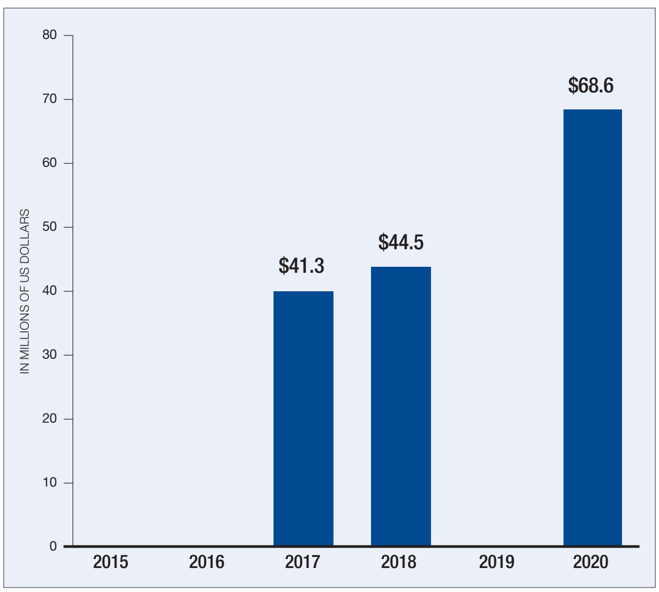
(in thousands of dollars)

	Terms				Debt balance (in US dollars)[1]	
	Currency	Total Amount	Maturity Date	Interest Rate Terms	June 30, 2015	Dec. 31, 2014
Revolving Term Credit Facility	USD	$ 235,000	April 2018	LIBOR+350bps	**$ 44,450**	$ 46,800
Convertible Debenture – C$52M	CAD	$ 51,607	August 2017	6.375%	**33,234**	34,232
Convertible Debenture – C$86M	CAD	$ 85,731	March 2020	5.60%	**55,836**	59,230
					$ 133,520	$ 140,262

(1) Debt balances are presented in US dollars. Foreign exchange rates used to translate the convertible debenture payable balances at each balance sheet date are: at June 30, 2015 CAD/USD 1.2490 and at December 31, 2014 CAD/USD 1.1601.

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 June 30, 2015.

Figure 7: Debt Maturity Schedule (As at June 30, 2015)



August 2017 – Convertible debenture July 2012 issuance amount due at maturity is $41.3 million (C$51.6 million).
April 2018 – Tricon Corporate $235 million Credit Facility ($44.5 million drawn as at June 30, 2015)
March 2020 – Convertible debenture February 2013 issuance amount due at maturity is $68.6 million (C$85.7 million).

The C$51.6 million convertible debentures are convertible into common shares at a conversion price of C$6.00 per share and are redeemable by the Company, provided certain conditions are met, beginning August 31, 2015. The C$85.7 million 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 June 30, 2015, the fair value of the embedded Derivative Financial Instrument increased by $29.4 million to $65.4 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 June 30, 2015 was $16.8 million (December 31, 2014 – $18.4 million). The NCI balance was reduced by a $0.3 million loss attributable to the minority interest and a distribution of $1.2 million received by the minority interest for the six months ended June 30, 2015.

- **Long-Term Incentive Plan** – As at June 30, 2015, the Company recorded a total LTIP Liability of $16.6 million of which $15.2 million represents future potential LTIP. The LTIP liability decreased by $1.3 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 June 30, 2015, Tricon had a net deferred tax liability of $10.6 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 adjustment.

Equity Issuance and Cancellations

Tricon did not initiate any public offerings or buybacks under the NCIB program during the six months ended June 30, 2015. Shares issued and their average prices, before transaction costs, are summarized as follows:

Table 10: Equity Issuance and Cancellation Schedule

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

For the Periods Ended June 30, 2015	Three Months				Six Months			
	Shares	Price/(Cost) C$	C$ Amount	US$ Amount	Shares	Price/(Cost) C$	C$ Amount	US$ Amount
Dividend Reinvestment Plan ("DRIP")	58,192	$ 11.00	$ 640	$ 556	150,139	$ 9.59	$ 1,440	$ 1,188
Vested Deferred Share Units	5,239	(49.25)	(258)	(224)	151,922	7.91	1,201	965
Debentures Conversions	38,781	8.69	337	277	38,781	8.69	337	277
Total	102,212		$ 719	$ 609	340,842		$ 2,978	$ 2,430

5.4 Interest Expense

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

Table 11: Interest Expense

(in thousands of US dollars)

For the Periods Ended June 30	Three Months			Six Months		
	2015	2014	Variance	2015	2014	Variance
Interest Expense – Corporate Credit Facility	$ 916	$ 427	$ 489	$ 1,612	$ 630	$ 982
Interest Expense – Convertible Debentures	1,840	2,159	(319)	3,689	4,283	(594)
Interest Expense – Tricon American Homes	3,454	2,325	1,129	6,718	4,058	2,660
Interest Expense – Tricon Lifestyle Communities	134	–	134	244	–	244
Total Interest Expense	$ 6,344	$ 4,911	$ 1,433	$ 12,263	$ 8,971	$ 3,292

The interest expense for the corporate credit facility increased by $1.0 million to $1.6 million in the six months ended June 30, 2015 compared to $0.6 million in the same period in 2014, driven by the increase in usage (maximum amount drawn during the six months ended June 30, 2015 was $118.8 million compared to $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 $175 million in March 2015. On June 30, 2015, Tricon increased the amount available on its corporate credit facility to $235 million. As of June 30, 2015, $44.5 million was drawn under this facility (June 30, 2014 – $31.0 million).

For the first six months of 2015, interest expense on the Convertible Debentures decreased by 14% or $0.6 million to $3.7 million compared to $4.3 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$4.6 million in the first six months of 2015 (YTD Q2 2014 – C$4.6 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 June 30, 2015, TAH had $361.3 million outstanding on its securitization loan and $179.1 million outstanding on its credit facility. Interest expense at Tricon American Homes increased mainly due to higher total borrowings. For the six months ended June 30, 2015, interest expense related to the securitization loan was $0.7 million and the remaining $6.0 million was incurred on the credit facility.

TLC incurred $0.2 million of interest expense for the first six months of 2015. Tricon, through its partnership with Cobblestone, assumed a mortgage debt as part of 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 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 capitall TLR – Invested capital less return of capital

Effective January 1, 2015, AUM for separate accounts, side-cars and syndicated investments are 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 were 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 below, 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-controling 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 captures 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. (All information related to the underlying limited partnerships represents non-IFRS financial information.)

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 of 1% TLC – Rent received x 4%
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 June 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 June 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 six months ended June 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 May 11, 2015 the Board of Directors declared a dividend of six cents per share in Canadian dollars to shareholders of record on June 30, 2015, payable on July 15, 2015. 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.

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 $2.3 billion at June 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, among other things, on our ability to maintain an operating platform and management systems sufficient to address our growth and will require us to incur additional expenses and to commit additional senior management and operational resources. 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 workforce 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, the capital available to be invested by us or our institutional investors or the willingness of investors to acquire our securities or invest in our funds. Furthermore, 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 distributions 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 with 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 predictor 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 downturn 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 US 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 Funds
The ability to raise capital for any future funds 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 funds will occur or that future warehoused investments of the Company will be acquired by any other future funds. A failure to raise any other future funds could result in lower Assets Under Management and would impair our future revenues and growth.

Structure of Future Funds
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 funds of Tricon will be the same as the existing funds, including with respect to the treatment of the Company's principal investments in such funds. Any such changes could result in the Company earning less Contractual Fees, General Partner Distributions and/or Performance Fees from the same Assets Under Management as compared to the Active Funds and could expose the Company's principal investment in such future fund or funds 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 funds 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 the funds' limited partners 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 limited partner will meet its entire commitment over the life of a fund. 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 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 funds' 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 Active Funds provide that the general partner of each Active 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 Active Funds provide that the general partner and manager of each such Active 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. These partnership agreements do not provide for termination payments to the general partner or manager in the event of removal without cause. The removal of the general partner or the manager of an Active Fund prior to the termination of such 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 12: Net Income (Loss) as shown in the Consolidated Financial Statements

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

For the Periods Ended June 30	Three Months			Six Months		
	2015	2014	Variance	2015	2014	Variance
Total Revenues	**$ 13,033**	$ (1,496)	$ 14,529	**$ 48,172**	$ 43,344	$ 4,828
Total Expenses	**(7,008)**	(8,492)	1,484	**(47,643)**	(19,972)	(27,671)
Non-Controlling Interest – Johnson	**303**	(273)	576	**343**	(273)	616
Income Tax Expense	**906**	(1,587)	2,493	**(4,554)**	(6,326)	1,772
Net Income (Loss) for the Period	**$ 7,234**	$ (11,848)	$ 19,082	**$ (3,682)**	$ 16,773	$ (20,455)
Basic Income (Loss) per Share	**$ 0.08**	$ (0.13)	0.21	**$ (0.04)**	$ 0.18	$ (0.22)
Diluted Income (Loss) per Share	**$ 0.04**	$ (0.13)	0.17	**$ (0.04)**	$ 0.18	$ (0.22)

Table 13: Reconciliation of Net Income to Adjusted Net Income

(in thousands of US dollars)

For the Periods Ended June 30	Three Months			Six Months		
	2015	2014	Variance	2015	2014	Variance
Net Income (Loss) for the Period	**$ 7,234**	$ (11,848)	$ 19,082	**$ (3,682)**	$ 16,773	$ (20,455)
Adjustments:						
Long-Term Incentive Plan Total	**(414)**	303	(717)	**1,222**	4,990	(3,768)
Long-Term Incentive Plan Actual	**(763)**	(662)	(101)	**(1,456)**	(1,489)	33
Phantom Units	**–**	–	–	**–**	98	(98)
Non-recurring Salaries and Benefits Expense	**–**	30	(30)	**–**	1,424	(1,424)
Transaction Costs	**605**	344	261	**1,279**	344	935
Formation Costs	**449**	–	449	**792**	–	792
Debentures Discount Amortization	**1,069**	998	71	**2,083**	1,911	172
Financing Charges – TAH Facility	**140**	203	(63)	**249**	393	(144)
Non-recurring TAH Transaction Costs	**15,512**	–	15,512	**16,347**	–	16,347
Unrealized TAH Selling Expenses	**(41)**	484	(525)	**2,585**	1,253	1,332
Financing Charges – TLC Facility	**112**	–	112	**124**	–	124
Non-recurring TLC Legal Costs	**157**	–	157	**298**	–	298
Net Change in Fair Value of Derivative	**(5,884)**	(45)	(5,839)	**32,007**	(1,855)	33,862
Control Premium Adjustment	**–**	444	(444)	**5,446**	7,860	(2,414)
Unrealized Foreign Exchange (Gain) Loss	**1,173**	(1,014)	2,187	**(9,485)**	(1,170)	(8,315)
Unrealized Foreign Exchange (Gain) Loss on Investment – THP	**(91)**	9,928	(10,019)	**(91)**	(884)	793
Unrealized Foreign Exchange (Gain) Loss on Investment – TAH	**–**	10,597	(10,597)	**–**	466	(466)
Total Non-Recurring and Non-Cash Adjustments	**12,024**	21,610	(9,586)	**51,400**	13,341	38,059
Tax Effect of Above Adjustments (Expense)	**(4,176)**	(1,560)	(2,616)	**(5,682)**	(1,851)	(3,831)
Tax Adjustment Due to Change of Tax Strategy	**–**	–	–	**(3,906)**	–	(3,906)
Total Tax Adjustments	**(4,176)**	(1,560)	(2,616)	**(9,588)**	(1,851)	(7,737)
Non-Recurring and Non-Cash Adjustments after Taxes	**7,848**	20,050	(12,202)	**41,812**	11,490	30,322
Adjusted Net Income	**$ 15,082**	$ 8,202	$ 6,880	**$ 38,130**	$ 28,263	$ 9,867

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 in April 2014 and the acquisition of the 50.1% interest in Johnson.

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 costs. 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.

Convertible Debentures – 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 the functional and presentation currency. As a result, the foreign exchange gains embedded in the investment income from U.S. investments were eliminated in Q1 2015. The 2014 Financial Statements were not restated to reflect the functional currency change as required by IFRS; therefore, the foreign exchange gains remained in the 2014 Financial Statements and were removed in Table 13.

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 14: Reconciliation of Investment Income from Financial Statements

(in thousands of US dollars)

For the Periods Ended June 30	Three Months			Six Months		
	2015	2014	Variance	2015	2014	Variance
Reconciliation of Investment Income – THP						
Investment Income – THP per Financial Statements	$ 767	$ (3,573)	$ 4,340	$ 7,565	$ 20,247	$ (12,682)
Tax Expenses (Recovery)	(28)	(49)	21	157	363	(206)
Unrealized Foreign Exchange	(91)	9,928	(10,019)	(91)	(884)	793
Control Premium Write-down	–	444	(444)	5,446	7,860	(2,414)
Investment Income – THP Per MD&A	$ 648	$ 6,750	$ (6,102)	$ 13,077	$ 27,586	$ (14,509)
Reconciliation of Investment Income – TAH						
Investment income – TAH per Financial Statements	$ 7,360	$ (3,035)	$ 10,395	$ 29,978	$ 14,482	$ 15,496
Imputed Selling Expenses	(41)	484	(525)	2,585	1,253	1,332
Interest Expense	3,454	2,325	1,129	6,718	4,058	2,660
Tax Expenses (Recovery)	(2,690)	(3,152)	462	(8,132)	(2,122)	(6,010)
Unrealized Foreign Exchange	–	10,597	(10,597)	–	466	(466)
Credit Facility Fees	140	203	(63)	249	393	(144)
Non-recurring Integration Costs	15,512	–	15,512	16,347	–	16,347
Total Investment Income – TAH per MD&A	$ 23,735	$ 7,422	$ 16,313	$ 47,745	$ 18,530	$ 29,215
Realized Investment Income – TAH	$ 8,919	$ 4,286	$ 4,633	$ 14,655	$ 7,575	$ 7,080
Unrealized Investment Income – TAH Fair Value Adjustment	14,816	3,136	11,680	33,090	10,955	22,135
Total Investment Income – TAH per MD&A	$ 23,735	$ 7,422	$ 16,313	$ 47,745	$ 18,530	$ 29,215
Reconciliation of Investment Income – TLC						
Investment income – TLC per Financial Statements	$ (642)	$ –	$ (642)	$ (681)	$ –	$ (681)
Interest Expense	134	–	134	244	–	244
Tax Expenses (Recovery)	479	–	479	460	–	460
Financing Costs	112	–	112	124	–	124
Non-recurring Formation Costs	157	–	157	298	–	298
Total Investment Income – TLC per MD&A	$ 240	$ –	$ 240	$ 445	$ –	$ 445

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 FVTPL. 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 15: Summary of Quarterly Key Non-IFRS Performance Measures

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

For the Three Months Ended		June 30, 2015		March 31, 2015		Dec. 31, 2014		Sept. 30, 2014
Assets Under Management	$	**2,342,593**	$	2,206,005	$	2,189,256	$	2,035,734
Adjusted Base EBITDA		**10,709**		19,486		19,718		14,790
Adjusted EBITDA		**23,357**		35,941		34,814		18,039
Adjusted Net Income		**15,082**		23,048		25,564		11,683
Adjusted Basic Earnings per Share	$	**0.17**	$	0.25	$	0.28	$	0.13
Adjusted Diluted Earnings per Share	$	**0.14**	$	0.21	$	0.23	$	0.11

For the Three Months Ended		June 30, 2014		March 31, 2014		Dec. 31, 2013 (1)		Sept. 30, 2013 (1)
Assets Under Management	$	1,875,694	$	1,861,722	$	1,861,722	$	1,610,833
Adjusted Base EBITDA		11,993		24,863		15,221		15,167
Adjusted EBITDA		13,735		31,308		27,964		17,261
Adjusted Net Income		8,202		20,061		11,328		11,837
Adjusted Basic Earnings per Share	$	0.09	$	0.22	$	0.13	$	0.18
Adjusted Diluted Earnings per Share	$	0.07	$	0.18	$	0.10	$	0.14

(1) Adjusted Base EBITDA, EBITDA, Net Income, Basic Earnings per Share and Diluted Earnings per Share for the three months ended September 30, 2013 and December 31, 2013 are translated using quarterly average closing rates.

Table 16: Summary of Selected Historical Financial Statement Information

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

For the Three Months Ended	June 30, 2015 (1)	March 31, 2015 (1)	Dec. 31, 2014 (2)	Sept. 30, 2014 (2)
Revenue	**$ 13,033**	$ 35,139	$ 76,381	$ 49,106
Expenses	**(6,102)**	(46,095)	(31,404)	(10,272)
Non-Controlling Interest	**303**	40	(1,167)	(167)
Net Income (Loss)	**$ 7,234**	$ (10,916)	$ 43,810	$ 38,667
Basic Earnings per Share	**$ 0.08**	$ (0.12)	$ 0.48	$ 0.43
Diluted Earnings per Share	**$ 0.04**	$ (0.12)	$ 0.46	$ 0.32
Weighted Average Shares Outstanding	**90,789,370**	90,646,960	90,729,695	90,973,738
Weighted Average Shares Outstanding – Diluted (3)	**109,644,821**	92,060,642	109,642,585	109,571,512

For the Three Months Ended	June 30, 2014 (2)	March 31, 2014 (2)	Dec. 31, 2013 (2)	Sept. 30, 2013 (2)
Revenue	$ (1,496)	$ 44,840	$ 42,535	$ 18,402
Expenses	(10,079)	(16,219)	(26,439)	(20,570)
Non-Controlling Interest	(273)	–	–	–
Net Income (Loss)	$ (11,848)	$ 28,621	$ 16,096	$ (2,168)
Basic Earnings per Share	$ (0.13)	$ 0.32	$ 0.18	$ (0.03)
Diluted Earnings per Share	$ (0.13)	$ 0.29	$ 0.18	$ (0.03)
Weighted Average Shares Outstanding	91,016,558	90,843,782	90,664,248	68,042,566
Weighted Average Shares Outstanding – Diluted (3)	92,089,596	109,344,002	109,044,166	87,227,946

(1) Effective January 1, 2015, the financial statements were prepared using the US 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 US dollars using quarterly average rates.

(3) Per IFRS potential shares from convertible debentures that are considered to be anti-dilutive are excluded from the diluted share count.

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

Table 17: Restated Adjusted Net Income for 2014

(in thousands of US 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**	**90,016,558**	**90,843,782**
Weighted Average Shares Outstanding – Diluted	**109,642,585**	**109,571,512**	**109,477,606**	**109,344,002**

Table 18: Restated Assets Under Management for 2014

(in thousands of US 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 19: Assets Under Management

(in thousands of dollars)

	Currency	Initial Close	Capitalization (in originating currency)	June 30, 2015 (in USD)[1]	Dec. 31, 2014 (in USD)[1]	June 30, 2014 (in USD)[1]	Variance June 30, 2015 vs. Dec. 31, 2014	Variance June 30, 2015 vs. June 30, 2014
Principal Investments								
Tricon Housing Partners								
THP1 US Co-Investment[2]	US	May-07	$ 226,775	**$ 233,074**	$ 269,339	$ 262,809	(13%)	(11%)
THP2 US Co-Investment	US	Aug-12	25,000	**28,204**	27,066	27,821	4%	1%
THP3 Canada Co-Investment	CA	Mar-11	20,000	**16,240**	18,989	19,825	(14%)	(18%)
Cross Creek Ranch Co-Investment	US	Jun-12	14,400	**11,450**	11,889	14,610	(4%)	(22%)
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	**7,668**	7,411	8,353	3%	(8%)
Trilogy at Verde River Co-Investment	US	Oct-14	10,350	**10,966**	10,469	–	5%	N/A
Side-cars	US	–[3]	17,880	**18,845**	17,980	5,199	5%	262%
Tricon Housing Partners AUM				**331,471**	368,167	343,617	(10%)	(4%)
Tricon American Homes[4]	US	May-12	842,584	**912,177**	686,089	560,336	33%	63%
Tricon Lifestyle Communities[4]	US	Aug-14	23,380	**23,697**	14,205	–	67%	N/A
Tricon Luxury Residences (The Selby)	CA	Mar-15	8,171	**4,362**	–	–	N/A	N/A
Principal Investments AUM				**$ 1,271,707**	$ 1,068,461	$ 903,953	19%	41%
Private Funds and Advisory								
THP1 US	US	May-07	$ 105,000	**$ 88,690**	$ 102,728	$ 105,000	(14%)	(16%)
THP2 US	US	Aug-12	308,740	**308,740**	308,740	308,740	0%	0%
THP1 Canada	CA	Oct-05	101,124	**5,387**	29,120	36,618	(82%)	(85%)
THP2 Canada	CA	Apr-08	85,362	**47,698**	69,133	78,146	(31%)	(39%)
THP3 Canada	CA	Mar-11	175,750	**105,901**	114,635	124,527	(8%)	(15%)
Private Funds AUM				**556,416**	624,356	653,031	(11%)	(15%)
Cross Creek Ranch	US	Jun-12	129,600	**89,374**	93,287	113,145	(4%)	(21%)
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	72,675	0%	(12%)
Trilogy at Verde River	US	Oct-14	93,150	**93,150**	93,150	–	0%	N/A
The Selby	CA	Mar-15	46,302	**24,716**	–	–	N/A	N/A
Separate Accounts AUM				**316,384**	295,581	230,820	7%	37%
Side-cars	US	–[3]	161,916	**161,916**	161,916	44,550	0%	263%
Syndicated Investments	CA	–[3]	45,476	**36,170**	38,942	43,340	(7%)	(17%)
Side-car/Syndicated AUM				**198,086**	200,858	87,890	(1%)	125%
Private Funds and Advisory AUM[5]				**$ 1,070,886**	$ 1,120,795	$ 971,741	(4%)	10%
Total Assets Under Management				**$ 2,342,593**	$ 2,189,256	$ 1,875,694	7%	25%

(1) Foreign exchange rates used at each balance sheet date are: at June 30, 2015 CAD/USD 1.2490; December 31, 2014 CAD/USD 1.1601; and June 30, 2014 1.0670.

(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 20: Compensation Plans

(in thousands of US dollars)

For the Periods Ended June 30	Three Months			Six Months		
	2015	2014	Variance	**2015**	2014	Variance
AIP						
Adjusted Base EBITDA	**$ 10,709**	$ 11,993	$ 1,284	**$ 30,195**	$ 36,856	$ 6,661
Less: THP1 US Investment Income	**(432)**	5,587	6,019	**10,768**	23,545	12,777
Base for AIP Calculation	**11,141**	6,406	(4,735)	**19,427**	13,311	(6,116)
60% to be Paid in Cash	**1,033**	577	(456)	**1,748**	1,198	(550)
40% in Deferred Share Units	**689**	385	(304)	**1,166**	799	(367)
Other	**(97)**	10	107	**(26)**	4	(30)
Total AIP Expense [1]	**$ 1,625**	$ 972	$ (653)	**$ 2,888**	$ 2,001	$ (887)
LTIP						
LTIP at 15% on THP1 US Investment Income [2]	**$ 543**	$ 437	$ (106)	**$ 1,104**	$ 782	$ (322)
LTIP at 50% on Performance Fees Received	**–**	15	15	**5**	15	10
Total LTIP for the Period	**$ 543**	$ 452	$ (91)	**$ 1,109**	$ 797	$ (312)
Stock Option Expense	**$ 220**	$ 210	$ (10)	**$ 347**	$ 692	$ 345

(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 Q2 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 21: Shares Outstanding

As of June 30, 2015	Shares Outstanding	Three Months Weighted Average Shares Outstanding	Six Months Weighted Average Shares Outstanding
Basic Shares Outstanding			
Share Capital	90,533,290	90,508,682	90,428,035
Unissued Vested Phantom Units/DSUs	280,688	280,688	280,688
Basic Shares Outstanding	**90,813,978**	**90,789,370**	**90,708,723**
Fully Diluted Shares Outstanding			
DSUs of THP1 US	349,624	349,624	349,624
AIP Share Compensation	172,388	172,388	172,388
Stock Options [1]	789,105	882,981	789,104
Directors' fees	15,367	15,367	15,367
Convertible Debentures	17,349,227	17,349,227	17,349,227
Other Compensation	85,864	85,864	85,864
Adjustment for Dilution	18,761,575	18,855,451	18,761,574
Fully Diluted Shares Outstanding	**109,575,553**	**109,644,821**	**109,470,297**

(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 August 12, 2015 were 90,729,939.

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

Table 22: 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	197,500	25,000	672,500
August 3, 2010	5.26	5.14	71,500	71,500	12,500	–	59,000
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	403,327	102,000	30,000	878,000
September 9, 2013	6.07	5.86	250,000	83,333	–	–	250,000
November 1, 2013	7.49	7.17	20,000	20,000	20,000	–	–
November 25, 2013	7.74	7.33	250,000	–	1,166	52,500	196,334
March 16, 2015	10.57	8.28	721,500	–	–	–	721,500
Average/Total	**$ 7.53**	**$ 6.76**	**3,288,000**	**1,518,160**	**363,166**	**127,500**	**2,797,334**

(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 June 30, 2015.

Table 23: Detailed Units by Investment/Market

Canadian Investment Vehicles			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.)
THP1 Canada												
Edmonton	$ 16,944	2020	215	1,599	–	–	–	62	895	–	–	–
Toronto	77,453	2015	–	–	–	2,334	58,899	–	–	–	2,334	40,778
Vancouver	8,600	Complete	–	–	–	284	–	–	–	–	284	–
THP2 Canada												
Calgary [5]	26,500	2020	–	–	–	901	171,650	–	–	–	402	–
Edmonton	7,500	Complete	–	–	–	–	–	–	–	–	–	–
Toronto	47,280	2015	–	–	–	1,478	49,881	–	–	–	1,473	18,360
THP3 Canada												
Calgary [5]	40,000	2022	98	2,514	486	–	–	45	751	264	–	–
Toronto	70,700	2019	–	–	–	697	–	–	–	–	622	–
Vancouver	46,000	2019	–	–	–	967	56,295	–	–	–	484	56,295
Less: Double Counted [4]			–	–	–	(939)	–	–	–	–	(939)	–
Total as at June 30, 2015			**313**	**4,113**	**486**	**5,722**	**336,725**	**107**	**1,646**	**264**	**4,660**	**115,443**
Total as at December 31, 2014			**313**	**4,158**	**441**	**5,722**	**336,725**	**107**	**1,413**	**238**	**4,617**	**115,433**

US Investment Vehicles (excl. 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.)
Total THP2 US												
Arizona	$ 65,950	2019	112	4,235	1,233	–	–	–	–	348	–	–
Southern California	81,300	2020	–	1,332	315	72	–	–	–	265	11	–
Northern California	17,100	2017	–	–	60	52	–	–	–	–	–	–
North Carolina	15,744	2020	12	124	1,058	–	–	–	–	–	–	–
Texas	46,149	2017	61	–	–	780	–	61	–	–	–	–
Georgia	32,300	2019	–	–	368	–	–	–	–	–	–	–
Other [6]	15,128	N/A	–	–	–	–	–	–	–	–	–	–
Separate Accounts/ Side-Cars [7]												
Arizona	15,300	2021	–	–	2,045	–	–	–	–	112	–	–
Southern California	8,600	2020	–	1,332	–	–	–	–	–	–	–	–
North Carolina	4,330	2020	12	124	1,058	–	–	–	–	–	–	–
Texas	27,475	2024	668	8,620	–	–	–	221	1,260	–	–	–
Less: Double Counted [4]			(12)	(1,456)	(2,024)	–	–	–	–	(112)	–	–
Total as at June 30, 2015			**853**	**14,311**	**4,113**	**904**	**–**	**282**	**1,260**	**613**	**11**	**–**
Total as at December 31, 2014			**853**	**14,316**	**3,940**	**904**	**–**	**205**	**1,229**	**268**	**–**	**–**

Table 23: 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	–	–	–	–	327	–
Eskaton Placerville	11,000	2018	–	66	60	–	–	–	–	59	–	–
Greater East Bay Portfolio	72,500	2018	–	1,174	337	–	–	–	951	320	–	–
Atlanta Portfolio	33,700	2018	–	333	375	–	–	–	–	373	–	–
Paseo Lindo	7,800	Complete	–	–	141	–	–	–	–	141	–	–
SoCal Portfolio	46,100	2018	–	749	–	–	–	–	16	–	–	–
Phoenix Lot Portfolio	43,000	2018	–	1,452	–	–	–	–	501	–	–	–
Woodstock	9,900	Complete	–	–	–	69	8,998	–	–	–	69	8,998
Williams Island	33,200	2015	–	–	653	–	–	–	–	653	–	–
Total as at June 30, 2015			**–**	**3,774**	**1,566**	**543**	**8,998**	**–**	**1,468**	**1,546**	**396**	**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 24: Summary of Private Funds Financial Data

(in thousands of dollars)

	Currency	Total Capitalization (1)	Project Commitments (2)	Projected – As at June 30, 2015 (3) Gross ROI	Gross IRR	Net ROI (4)	Net IRR (4)	Net Cash Flow (5)	Actual and Projected Gross Cash Flow (6) Total	Realized	Unrealized
THP1 US (7)	US	$ 331,775	$ 320,520	2.3x	14%	1.8x	10%	$ 315,026	$ 624,659	$ 217,187	$ 407,472
THP2 US (8)	US	333,740	296,671	1.8x	25%	1.5x	18%	196,817	443,415	50,384	393,031
Separate Accounts (9)	US	424,552	424,552	2.6x	22%	2.3x	22%	520,632	853,817	93,208	760,609
Side-Cars (10)	US	179,796	179,796	1.8x	23%	1.7x	22%	112,037	260,915	1,269	259,646
Total US Investments		**$ 1,269,863**	**$ 1,221,539**					**$ 1,144,512**	**$ 2,182,806**	**$ 362,048**	**$ 1,820,758**
THP1 Canada	CA	101,124	102,997	2.1x	16%	1.7x	12%	91,953	176,490	140,865	35,625
THP2 Canada	CA	85,362	97,757	1.9x	15%	1.5x	10%	70,295	153,957	75,600	78,357
THP3 Canada (8)	CA	195,750	172,700	1.9x	14%	1.6x	10%	89,829	192,404	24,765	167,639
Syndicated Investments (10)	CA	45,476	45,476	2.2x	13%	1.9x	12%	45,482	84,419	8,189	76,230
Total Canadian Investments		**$ 427,712**	**$ 418,930**					**$ 297,559**	**$ 607,270**	**$ 249,419**	**$ 357,851**

(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 25: THP1 US Asset Overview

(in thousands of US dollars)

			Gross Cash Flow Distributed[1]				
Project	**State**	**Type**	**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	**–**	3,500	7,900	–	11,400
Atlanta Portfolio	Georgia	Land / Homebuilding	**–**	–	7,200	5,600	12,800
Paseo Lindo	Arizona	Homebuilding	**–**	–	3,249	2,831	6,080
SoCal Portfolio	California	Land / Homebuilding	**–**	–	–	6,491	6,491
Phoenix Lot Portfolio	Arizona	Land	**3,200**	250	2,281	8,460	14,191
Woodstock	Georgia	Multi-Family	–	–	–	133	133
Williams Island	Florida	Land / Homebuilding	**3,020**	7,030	39,138	7,186	56,374
Total			**$ 43,213**	$ 18,257	$ 80,018	$ 30,701	$ 172,189
Reserve (to be distributed)			**–**	–	(7,486)	–	(7,486)
Distribution of Excess Cash			**755**	321	5,061	5,686	11,823
Operating Expenses and Management Fee Payment			**(855)**	(918)	(3,821)	(4,586)	(10,180)
Total Cash Distributed			**$ 43,113**	$ 17,660	$ 73,772	$ 31,801	$ 166,346
Total TCN Share (68.4%)			**$ 29,468**	$ 12,072	$ 50,452	$ 21,736	$ 113,728

(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 26: Summary of Tricon American Homes Balance Sheets

(in thousands of US dollars)

	June 30, 2015	December 31, 2014
Inventory Homes (1)	$ 1,544	$ 5,248
Investment Properties – Cost	786,226	595,180
Investment Properties – Fair Value Adjustment (2)	115,220	78,800
Capital Assets	2,225	1,023
Deferred Income Tax Assets	22,266	13,448
Cash and Other Assets (3)	60,475	33,536
Total Assets	987,956	727,235
Current Liabilities	19,026	14,146
Other Long-Term Liabilities (4)	104	104
Bank Loans	556,000	320,544
Total Liabilities	575,130	334,794
Net Assets – Tricon American Homes	$ 412,826	$ 392,441
Investments – Tricon American Homes	$ 363,867	$ 344,170
Non-controlling interest	$ 48,959	$ 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 $124,326, reduced by imputed selling costs of $9,106 (approximately 1% of investment portfolio).

(3) Cash and Other Assets represent working capital and income tax receivable balances, including $46,325 of cash, $9,143 of accounts receivable, $4,654 million of prepaid and $353 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 27: Tricon American Homes Income Statements

(in thousands of US dollars)

For the Periods Ended June 30	Three Months			Six Months		
	2015	2014	Variance	2015	2014	Variance
Rental Revenue [1]	**$ 18,472**	$ 10,607	$ 7,865	**$ 32,483**	$ 19,211	$ 13,272
Property Taxes	**2,293**	1,222	1,071	**3,909**	2,206	1,703
Repairs and Maintenance	**2,128**	938	1,190	**3,596**	1,630	1,966
Property Management Fees	**1,387**	741	646	**2,457**	1,333	1,124
Property Insurance	**733**	387	346	**1,280**	818	462
HOA/Utilities	**490**	243	247	**977**	521	456
Other Direct Expenses	**116**	117	(1)	**182**	236	(54)
Rental Expenses	**7,147**	3,648	3,499	**12,401**	6,744	5,657
TAH Net Operating Income ("TAHNOI")	**$ 11,325**	$ 6,959	$ 4,366	**$ 20,082**	$ 12,467	$ 7,615
Gain from Sale of Homes	**$ (62)**	$ 381	$ (443)	**$ 148**	$ 522	$ (374)
Asset Management Fees	**(2,069)**	(1,530)	(539)	**(3,572)**	(2,810)	(762)
Leasing Commissions	**(432)**	(564)	132	**(761)**	(874)	113
General and Administration Expenses	**(188)**	(295)	107	**(551)**	(482)	(69)
Professional Fees	**(217)**	(118)	(99)	**(385)**	(193)	(192)
Other Operating Expenses	**33**	12	21	**18**	26	(8)
TAH Operations LLC Income [2]	**2,518**	–	2,518	**2,430**	–	2,430
TAH Net Income Before Fair Value Adjustments	**10,908**	4,845	6,063	**17,409**	8,656	8,753
Fair Value Adjustment on Investment Properties	**14,932**	6,680	8,252	**39,066**	14,605	24,461
Fair Value Adjustment on Inventory Homes	**460**	(356)	816	**(208)**	(1,078)	870
Imputed Performance Fees to Third Parties [3]	**(2,150)**	(3,316)	1,166	**(6,151)**	(2,210)	(3,941)
TAH Fair Value Adjustments	**13,242**	3,008	10,234	**32,707**	11,317	21,390
TAH Net Income ("TAHNI")	**$ 24,150**	$ 7,853	$ 16,297	**$ 50,116**	$ 19,973	$ 30,143

(1) Includes bad debt expense of $770 for the six months ended June 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 28: Tricon American Homes Reconciliation to Financial Statements

(in thousands of US dollars)

For the Periods Ended June 30	Three Months			Six Months		
	2015	2014	Variance	2015	2014	Variance
TAH Net Income Before Fair Value Adjustments	$ 10,908	$ 4,845	$ 6,063	$ 17,409	$ 8,656	$ 8,753
Corporate-Level Expenses						
Professional Fees	(104)	(48)	(56)	(160)	(169)	9
General and Administration Expenses	(81)	(95)	14	(128)	(128)	–
Salary and Benefits	–	(77)	77	–	(148)	148
Non-controlling Interest Realized	(1,804)	(339)	(1,465)	(2,466)	(636)	(1,830)
Realized Investment Income – TAH	8,919	4,286	4,633	14,655	7,575	7,080
TAH Fair Value Adjustments	13,242	3,008	10,234	32,707	11,317	21,390
Imputed Selling Costs (Expense) Recovery – Housing Inventories	(530)	259	(789)	51	492	(441)
Prepaid Adjustments	1,674	(4)	1,678	1,205	(495)	1,700
Non-controlling Interest Unrealized	430	(127)	557	(873)	(359)	(514)
Unrealized Investment Income – TAH	14,816	3,136	11,680	33,090	10,955	22,135
Investment Income – TAH per MD&A	23,735	7,422	16,313	47,745	18,530	29,215
Reconciling items to Financial Statements						
Imputed Selling Expenses – Investment Properties	41	(484)	525	(2,585)	(1,253)	(1,332)
Interest Expense	(3,454)	(2,325)	(1,129)	(6,718)	(4,058)	(2,660)
Tax Recovery (Expense)	2,690	3,152	(462)	8,132	2,122	6,010
Unrealized Foreign Exchange	–	(10,597)	10,597	–	(466)	466
Credit Facility Fees	(140)	(203)	63	(249)	(393)	144
Non-recurring Transaction Costs [1]	(15,512)	–	(15,512)	(16,347)	–	(16,347)
Investment Income – TAH per Financial Statements	$ 7,360	$ (3,035)	$ 10,395	$ 29,978	$ 14,482	$ 15,496

(1) Includes non-recurring transaction costs for the six months ended June 30, 2015: $15,795 loan cost related to the securitization and credit facility loan, $120 legal expense related to Portfolio Acquisition, $424 expense related to integration.

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

Table 29: 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	642	7	635	618	–	10	7	97.3%	97.3%
Southern California	319	4	315	285	5	14	11	90.5%	90.4%
Phoenix	398	–	398	387	2	9	–	97.2%	97.2%
Reno	251	–	251	239	5	6	1	95.2%	95.2%
Las Vegas	258	–	258	246	1	6	5	95.3%	95.3%
Dallas	387	2	385	363	15	7	–	94.3%	N/A
San Antonio	199	–	199	175	2	19	3	87.9%	87.2%
Houston	671	2	669	594	13	22	40	88.8%	72.3%
Tampa	371	–	371	327	9	17	18	88.1%	89.5%
Southeast Florida	618	13	605	577	9	7	12	95.4%	95.4%
Charlotte	1,257	21	1,236	1,163	45	13	15	94.1%	93.4%
Columbia	299	5	294	261	18	6	9	88.8%	N/A
Atlanta	843	1	842	812	13	11	6	96.4%	96.6%
Total/Weighted Average	**6,513**	**55**	**6,458**	**6,047**	**137**	**147**	**127**	**93.6%**	**93.8%**

(in thousands of US 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	$ 125	$ 21	$ 146	1,265	$ 1,268	10.4%
Southern California	144	21	166	1,218	1,473	10.7%
Phoenix	114	12	126	1,983	993	9.4%
Reno	150	17	167	1,531	1,284	9.2%
Las Vegas	133	16	149	1,593	1,110	8.9%
Dallas	114	–	115	1,507	1,126	11.8%
San Antonio	91	23	114	1,621	1,139	12.0%
Houston	117	5	122	1,597	1,228	12.1%
Tampa	79	30	108	1,348	1,249	13.8%
Southeast Florida	98	28	127	1,414	1,449	13.7%
Charlotte	61	22	82	1,333	902	13.2%
Columbia	99	–	99	1,385	953	11.5%
Atlanta	59	32	91	1,696	985	13.0%
Total/Weighted Average	**$ 97**	**$ 19**	**$ 116**	**1,484**	**1,137**	**11.8%**

(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 30: Summary of Tricon American Homes Metrics

(in thousands of US dollars except for homes and percentages)

	Q2 2015	Q1 2015	2014	2013	2012
Total homes in portfolio	**6,513**	5,163	5,030	3,316	1,582
Inventory Homes	**55**	63	39	60	78
Single-family rental homes	**6,458**	5,100	4,991	3,256	1,504
Homes leased	**6,047**	4,548	4,193	2,535	1,031
Homes acquired during period/year	**1,350**	133	1,714	421	981
In-place Occupancy as at period-end	**93.6%**	89.1%	84.0%	77.9%	68.6%
Occupancy (homes owned 6+ months) as at period/year-end	**93.8%**	92.8%	91.0%	87.0%	95.0%
Average Gross Yield	**12%**	12%	12%	12%	14%
NOI Margin (1)	**62%**	63%	63%	64%	53%
TAH Net Operating Income (1)	**11,325**	8,757	27,829	13,518	1,399
Interest Expense	**$ 3,454**	$ 3,264	$ 9,218	$ 2,233	$ 69
Investment Income – TAH	**$ 8,919**	$ 5,736	$ 17,084	$ 8,603	$ 1,396
Investment Income – TAH Fair Value Adjustment (2)	**14,816**	18,274	33,514	30,783	(78)
Tricon Equity (at cost)	**$ 268,098**	$ 286,881	$ 273,550	$ 237,106	$ 141,087
Partner Equity (minority interest at cost)	**18,486**	26,849	29,471	34,817	11,922
Borrowings	**556,000**	351,674	320,544	$ 137,629	$ 8,161
Total Capitalization as at period/year-end	**$ 842,584**	$ 665,404	$ 623,565	$ 409,552	$ 161,170
Capitalization (net of cash) (3)	**$ 796,259**	$ 637,890	$ 598,468	$ 381,139	$ 155,051
Fair Value Investment Properties (4)	**$ 910,552**	$ 733,137	$ 680,440	$ 410,620	$ 138,579
Fair Value Investment Properties (net of imputed selling costs)	**901,446**	725,806	673,980	406,514	138,579
Fair Value Adjustment (4)	**$ 14,932**	$ 24,134	$ 49,927	$ 35,567	$ 257
Cumulative Fair Value Adjustment (4)	**124,326**	109,394	85,260	35,824	257
Cumulative Fair Value Adjustment/Total Capitalization at period-end	**15%**	16%	14%	9%	0%
Capital Expenditures (5)	**$ 7,618**	$ 13,230	$ 69,393	$ 32,489	$ 5,568
Cumulative Capital Expenditures (5)	**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 31: Summary of Tricon Lifestyle Communities Balance Sheets

(in thousands of US dollars)

	June 30, 2015	Dec. 31, 2014
Investment Properties	$ 23,697	$ 14,205
Deferred Income Tax Assets	276	479
Other Assets (1)	844	627
Total Assets	24,817	15,311
Current Liabilities	549	371
Other Long-Term Liabilities (2)	98	–
Bank Loans	15,812	10,575
Total Liabilities	16,459	10,946
Net Assets – Tricon Lifestyle Communities	$ 8,358	$ 4,365
Investments – Tricon Lifestyle Communities	$ 8,145	$ 4,246
Non-controlling interest	$ 213	$ 119

(1) Other Assets represent working capital and income tax receivable balances.

(2) Represents the value of preferred shares which were issued in conjuction 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 32: Tricon Lifestyle Communities Income Statements

(in thousands of US dollars)

For the Three Months Ended	June 30, 2015	March 31, 2015	Dec. 31, 2014	Sept. 30, 2014 (1)
Rental Revenue	$ 495	$ 404	$ 400	$ 172
Property Taxes	30	28	30	7
Property Insurance	8	7	7	3
Repairs and Maintenance	18	16	16	13
Utilities	62	54	52	17
Property-level Management and Personnel	42	38	41	12
Property Management Fees	19	15	15	6
Rental Expenses	179	158	161	58
TLC Net Operating Income ("TLCNOI")	$ 316	$ 246	$ 239	$ 114
Gain from Sale of Homes	$ 1	$ 4	$ 3	$ 1
Professional Fees	(8)	(5)	(9)	(3)
Asset Management Fees	(27)	(15)	(15)	(6)
General and Administration Expenses	(25)	(20)	(63)	(21)
TLC Net Income Before Fair Value Adjustments	257	210	155	85
TLC Net Income ("TLCNI")	$ 257	$ 210	$ 155	$ 85

(1) 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 33: Tricon Lifestyle Communities Reconciliation to Financial Statements

(in thousands of US dollars)

For the Three Months Ended	June 30, 2015	March 31, 2015	Dec. 31, 2014	Sept. 30, 2014 [1]
TLC Net Income Before Fair Value Adjustments	$ **257**	$ 210	$ 155	$ 85
Corporate-Level Expenses				
General and Administration Expenses	**(6)**	(8)	24	(56)
Non-Controlling Interest Realized	**(3)**	(5)	(10)	13
Fair value adjustment [1]	**(8)**	8	(128)	–
Investment Income – TLC per MD&A	**240**	205	41	42
Reconciling items to Financial Statements				
Interest Expense	**(134)**	(110)	(111)	(45)
Tax Recovery (Expense) [2]	**(479)**	19	543	193
Financing Costs [3]	**(112)**	(12)	(30)	(365)
Non-recurring legal Costs [4]	**(157)**	(141)	(53)	(139)
Investment Income – TLC per Financial Statements	$ **(642)**	$ (39)	$ 390	$ (314)

(1) IFRS adjustment to prepaid assets, no impairment to the investment property.
(2) In Q2 2015, TLC tax expense included a one-time adjustment related to prior year formation of the joint venture and projects.
(3) Non-recurring professional fees paid related to obtaining the debt facility.
(4) 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 34: Adjusted Net Income Statement in Canadian Dollars

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

	Three Months		Six Months	
For the Periods Ended June 30, 2015	In USD	In CAD (1)	In USD	In CAD (1)
Contractual Fees	$ 5,211	$ 6,406	$ 10,624	$ 13,125
General Partner Distributions	331	407	655	809
Investment Income – THP	648	797	13,077	16,224
Investment Income – TAH	8,919	10,965	14,655	18,085
Investment Income – TLC	240	295	445	540
Investment Income – TLR	2	2	2	2
Interest Income	4	5	19	24
Adjusted Base Revenues	**15,355**	**18,877**	**39,477**	**48,809**
Salaries and Benefits	2,734	3,361	5,450	6,732
Professional Fees	524	644	1,036	1,279
Directors' Fees	117	144	279	345
General and Administration	755	928	1,412	1,743
Non-Controlling Interest	516	634	1,105	1,365
Adjusted Base Operating Expenses	**4,646**	**5,711**	**9,282**	**11,464**
Adjusted Base EBITDA	**10,709**	**13,166**	**30,195**	**37,345**
Annual Incentive Plan	(1,625)	(1,998)	(2,888)	(3,566)
Investment Income – TAH Fair Value Adjustment	14,816	18,215	33,090	40,897
Performance Fees	–	–	10	12
Performance Fee-Related Bonus Pool (LTIP)	(543)	(668)	(1,109)	(1,371)
Adjusted EBITDA	**23,357**	**28,715**	**59,298**	**73,317**
Stock Option Expense	(220)	(270)	(347)	(428)
Interest Expense	(6,344)	(7,799)	(12,263)	(15,146)
Amortization Expense	(680)	(836)	(1,931)	(2,389)
Adjusted Net Income Before Taxes	**16,113**	**19,810**	**44,757**	**55,354**
Income Tax Expense	(1,031)	(1,268)	(6,627)	(8,214)
Adjusted Net Income	**$ 15,082**	**$ 18,542**	**$ 38,130**	**$ 47,140**
Adjusted Basic Earnings Per Share	**$ 0.17**	**$ 0.20**	**$ 0.42**	**$ 0.52**
Adjusted Diluted Earnings Per Share	**$ 0.14**	**$ 0.17**	**$ 0.35**	**$ 0.43**
Weighted Average Shares Outstanding – Basic	**90,789,370**	**90,789,370**	**90,708,723**	**90,708,723**
Weighted Average Shares Outstanding – Diluted	**109,644,821**	**109,644,821**	**109,470,297**	**109,470,297**

(1) Financial Results in Canadian dollars for the three months ended June 30, 2015 were translated using the average closing exchange rate of CAD/USD 1.2294.

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