Rethinking Residential Real Estate

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the Three Months Ended March 31, 2019

TRICON

TABLE OF CONTENTS

NON-IFRS MEASURES AND FORWARD-LOOKING STATEMENTS

The Company has included herein certain supplemental measures of key performance, including, but not limited to, adjusted EBITDA, adjusted net income and adjusted earnings per share ("EPS"), as well as certain key indicators of the performance of our investees. We utilize these measures in managing our business, including performance measurement and capital allocation. In addition, certain of these measures are used in measuring compliance with our debt covenants. We believe that providing these performance measures on a supplemental basis is helpful to investors in assessing the overall performance of the Company's business. However, these measures are not recognized under International Financial Reporting Standards ("IFRS"). Because non-IFRS measures do not have standardized meanings prescribed under IFRS, securities regulations require that such measures be clearly defined, identified, and reconciled to their nearest IFRS measure. The definition, calculation and reconciliation of the non-IFRS measures used in this MD&A are provided in Sections 6 and 7 and the key performance indicators presented are discussed in detail in Section 8.

The supplemental measures presented herein should not be construed as alternatives to net income (loss) or cash flow from the Company's activities, determined in accordance with IFRS, as indicators of Tricon's financial performance. Tricon's method of calculating these measures may differ from other issuers' methods and, accordingly, these measures may not be comparable to similar measures presented by other publicly-traded entities.

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 investments and are based on information currently available to management and on assumptions that management believes to be reasonable.

This MD&A includes forward-looking statements pertaining to: anticipated investment performance including, in particular, project timelines and sales/rental expectations, projected development costs, projected Internal Rate of Return ("IRR"), Returns on Investment ("ROI"), expected performance fees, future cash flows and development yields; anticipated demand for homebuilding, lots, single-family rental homes and purpose-built rental apartments; the pace of acquisition and the ongoing availability of single-family rental homes at prices that match Tricon American Home's underwriting model; the anticipated growth of the TAH joint venture ("TAH JV-1") portfolio; the intentions to build portfolios and attract investment in TAH and Tricon Lifestyle Rentals ("TLR") and the Company's investment horizon and exit strategy for each investment vertical; and the completion of the Starlight Transaction (see Section 3.4) and its anticipated impact on the Company. The assumptions underlying these forward-looking statements and a list of factors that may cause actual investment performance to differ from current projections are discussed in the Company's Annual Information Form dated February 25, 2019 (the "AIF") and its 2018 annual MD&A, both of which are available on SEDAR at www.sedar.com.

Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. 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 the AIF and Section 9.7 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.

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 to reflect new information, events, results or circumstances or otherwise after the date on which such statements are made to reflect the occurrence of unanticipated events, except as required by law, including securities laws.

1. INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is dated as of May 6, 2019, the date it was approved by the Board of Directors of Tricon Capital Group Inc. ("Tricon," "us," "we" or the "Company"), and reflects all material events up to that date. It should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three months ended March 31, 2019.

Additional information about the Company, including our Annual Information Form, is available on our website at www.triconcapital.com, and on the Canadian Securities Administrators' website at www.sedar.com.

The Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2019 were prepared using International Financial Reporting Standards ("IFRS") accounting policies consistent with the Company's audited annual consolidated financial statements for the year ended December 31, 2018.

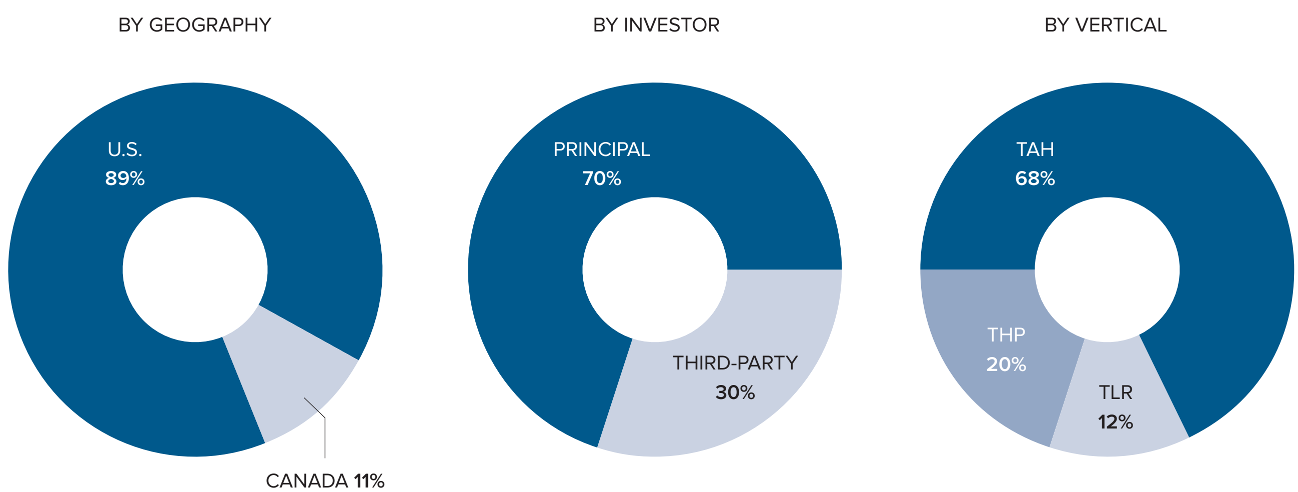
All dollar amounts in this MD&A are expressed in U.S. dollars unless otherwise indicated.

1.1 Who we are and what we do

Tricon Capital Group (TSX: TCN) is a residential real estate company primarily focused on rental housing in North America, with approximately $5.9 billion (C$7.9 billion) of assets under management as of March 31, 2019. Tricon invests in a portfolio of single-family rental homes, multi-family rental apartments and for-sale housing assets, and manages third-party capital in connection with its investments. Since its inception in 1988, Tricon has invested in real estate and development projects valued at approximately $20 billion.

$5.9 BILLION

Assets Under Management (AUM)



TAH: Single-family rental homes
TLR: Multi-family rental apartments
THP: For-sale housing

1. Principal Investments
As a principal investor, the Company currently invests in three related and complementary residential investment verticals, with the objective of generating investment income and capital appreciation, as follows:

(i) Tricon American Homes ("TAH") – Investment in single-family rental properties, where homes are renovated to a common standard and then leased to predominantly working class families.

(ii) Tricon Lifestyle Rentals ("TLR") – Investment in multi-family rental properties, including development assets and existing income-producing assets.

(iii) Tricon Housing Partners ("THP") – Investment in for-sale housing through land development, homebuilding, multi-family construction and ancillary commercial development.

Until the second quarter of 2018, the Company had also invested in Tricon Lifestyle Communities ("TLC") – Investment in manufactured housing communities, where land parcels were leased to owners of prefabricated homes. Investments in TLC were disposed of on June 29, 2018.

A detailed description of our investment verticals is included in our Annual Information Form, available on SEDAR at www.sedar.com, and more information about the revenue recognized from our investments is included in Section 9.1.

2. Private Funds and Advisory
Tricon manages third-party capital across its TAH, TLR and THP investments through private commingled funds, separate accounts, syndicated investments and joint ventures ("Investment Vehicles"). Tricon manages capital on behalf of Canadian, American and international institutional investors, including pension funds, sovereign wealth funds, insurance companies, endowments and foundations, as well as family offices and high net-worth accredited investors. The Company's business objective in its Private Funds and Advisory business is to earn income through:

(i) Asset management of third-party capital invested through private Investment Vehicles. The Company's asset management business includes investments in each of its three investment verticals.

As general partner, sponsor and/or manager of private Investment Vehicles, Tricon typically receives annual contractual fees of 1–2% per annum based on committed or invested capital during the life of these Investment Vehicles. After the return of capital and a contractual preferred return percentage, Tricon may receive additional 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.

(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 fee revenue generated by TLR Canada projects, for which a Tricon entity acts as the developer.

The following is a list of the active Investment Vehicles managed by the Company:

- Tricon Housing Partners US LP ("THP1 US")
- Tricon Housing Partners US II LP ("THP2 US")
- Tricon Housing Partners Canada LP ("THP1 Canada")
- Tricon Housing Partners Canada II LP ("THP2 Canada")
- Tricon Housing Partners Canada III LP ("THP3 Canada")
- Separate accounts include:
  - THP – Cross Creek Ranch, Fulshear Farms, Grand Central Park, Trilogy at Verde River, Viridian, Tricon Housing Partners US Syndicated Pool I LP ("THP US SP1") and Tricon Housing Partners US Syndicated Pool II LP ("THP US SP2")
  - TLR Canada – The Selby, The Taylor, The James, Shops of Summerhill, West Don Lands, 8 Gloucester and 7 Labatt
  - TAH – Tricon American Homes Joint Venture-1 ("TAH JV-1")
- U.S. side-cars include THP investments Trilogy at Vistancia West, Trilogy Lake Norman and Arantine Hills
- Canadian syndicated THP investments include 5 St. Joseph, Heritage Valley and Mahogany

A more detailed description of the sources of fee income from Private Funds and Advisory activities is included in Section 9.1 and in our Annual Information Form, available on SEDAR at www.sedar.com.

1.2 How we invest and create value

A description of each of the principal investments in which we invest is discussed below.

Tricon American Homes

Tricon American Homes, the Company's single-family rental home investment vertical, has an integrated platform responsible for the acquisition, renovation, leasing, ongoing maintenance and property management of single-family rental homes within major U.S. cities, predominantly in the U.S. Sun Belt. TAH is headquartered in Orange County, California and is operationally distinct from the investment management activities of the Company. TAH employs its own senior management team and approximately 470 employees that oversee all aspects of TAH's day-to-day business activities.

TAH's investment objective is to generate a recurring cash flow stream from its portfolio of single-family rental homes and capture home price appreciation within attractive U.S. housing markets. TAH adheres to specific investment 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. Homes are acquired through multiple channels, including the Multiple Listing Service, trustee sales and foreclosures, and selective portfolio acquisitions.

TAH is focused on providing high-quality rental homes to the broad middle market demographic, which management defines as working class households earning between $60,000 and $100,000 per year, with stable jobs and who may face difficulties in buying a home for a variety of reasons. TAH offers these middle market families a compelling value proposition of living in a high-quality, renovated home at a fixed monthly price without other costly overhead expenses such as maintenance and property taxes and with a high level of customer service. Targeting qualified middle market families who are likely to be long-term renters generally results in lower turnover rates, thereby reducing turn costs and providing stable cash flow for TAH.

Since its launch in 2012, TAH has grown its portfolio of U.S. single-family rental homes under management to 18,131 homes in 18 markets across ten states as of March 31, 2019. In June 2018, the Company entered into a joint venture arrangement with two leading institutional investors to assemble a portfolio of single-family rental homes which will be acquired and managed by TAH. The joint venture is funded by a total equity commitment of $750 million and approximately $2 billion of buying power, when taking into account leverage, and is projected to acquire 10,000–12,000 homes over its three-year investment period.

Tricon Lifestyle Rentals

Tricon Lifestyle Rentals, the Company's multi-family investment vertical, is focused on investing in, developing and operating multi-family rental apartments in Canada and the United States.

In Canada, TLR's investment objective is to add value through the development and construction process and ultimately generate stable cash flow from its portfolio of rental apartment buildings. TLR's strategy is to assemble a portfolio of well-located, purpose-built multi-family rental properties which are near major job nodes and/or transit routes. TLR targets markets that are underpinned by strong economic fundamentals, including robust job and population growth and attractive supply and demand fundamentals that support long-term growth.

TLR acts as the sponsor or general partner of each project and typically provides 15–50% of the project equity and intends to maintain this ownership stake in the projects. The remaining equity is provided by institutional investors or other strategic investment partners that pay Tricon development management fees, asset management fees and possibly performance fees, enabling the Company to enhance its return on investment.

In its existing U.S. investments (both in the Dallas-Fort Worth MSA), TLR has partnered with a local developer which acts as a general partner and developer for TLR's current U.S. development portfolio. TLR is participating as a limited partner in each investment and has provided 90% of the project equity, with the balance being invested by the developer.

Tricon previously announced that it will be pursuing an orderly exit from TLR's U.S. development business by divesting its two current projects following their completion. Management has made this decision because the U.S. multi-family development industry is currently experiencing a number of headwinds, including cost inflation as well as tighter financing conditions.

Subsequent to quarter-end, TLR U.S. completed the sale of its 90% interest in The McKenzie project partnership for net proceeds to Tricon of $49.9 million (see Section 4.2), which were used in part to repay a portion of Tricon's revolving term credit facility. Tricon still intends to liquidate its last U.S. development project, The Maxwell, in an orderly manner as part of the disposition of its TLR U.S. development holdings, and therefore TLR U.S.'s investment in The Maxwell is classified as an asset held for sale within the vertical.

Going forward, Tricon intends to increase its exposure to U.S. multi-family investments by focusing largely on existing assets that generate recurring rental income and cater to the middle market demographic. To this end, on April 2, 2019, Tricon announced the proposed Starlight Transaction, an agreement to acquire 23 garden-style multi-family properties totaling 7,289 units located primarily in the U.S. Sun Belt (see Section 3.4).

Tricon Housing Partners

Tricon Housing Partners, the Company's for-sale housing investment vertical, is dedicated to providing equity or equity-type financing to experienced local or regional developers and builders (i.e. housing partners) in the United States and Canada. The Company's THP vertical typically co-invests in commingled funds, separate accounts, and other private Investment Vehicles which make investments in the following five core categories: (1) master-planned communities ("MPCs"); (2) land development; (3) homebuilding; (4) infill condominiums and attached housing; and (5) active-adult communities. Occasionally, the Company will make such investments directly, with a view to possibly syndicating a portion of the investment to one or more institutional investors to increase diversification for the Company and/or to bolster investment returns with additional Private Funds and Advisory fees, a strategy which Tricon has successfully employed through certain of its co-investments and syndicated investments. THP's investments involve providing financing to developers of the projects, either by way of equity investment or participating loans. The majority of THP's investments are situated in the U.S. Sun Belt and adjacent states where THP currently sees the best opportunities to maximize risk-adjusted returns.

The core investment types described above are structured as self-liquidating transactions generally with cash flows generated as land, lots or homes are sold to third-party buyers (typically large homebuilders in the case of land and master-planned communities and end consumers in all other cases). In select cases, a property may also be sold in bulk to a third-party buyer in situations where THP determines that it can achieve sufficient returns from the sale without participating in the full build-out of the property. With the exception of larger land investments and master-planned communities, the majority of core investments made by THP are typically expected to be substantially completed within a three- to six-year time horizon, providing THP with an opportunity to reinvest realized proceeds on an ongoing basis.

Through its investment in Houston-based Johnson, Tricon has the ability to leverage an integrated development platform with expertise in land entitlement, infrastructure, municipal bond finance and place making, and deep relationships with public and regional homebuilders and commercial developers. 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 six MPCs ranked in the top 50 in 2018 (source: RCLCO Real Estate Advisors). Tricon uses Johnson's platform to (i) invest in cash flowing MPCs that generate proceeds from lot sales, commercial land sales and the issuance of municipal bonds, and to (ii) earn development management fee income and sales commissions from the development and sale of residential lots and commercial land within the master-planned communities that Johnson manages (regardless of whether they are owned by Tricon or managed on behalf of third-party investors), thereby enhancing its investment returns.

Tricon Lifestyle Communities – disposed of in the second quarter of 2018

Tricon Lifestyle Communities was launched in 2014 and focused on acquiring and managing existing three- to four-star manufactured housing communities in the U.S. Sun Belt. On June 29, 2018, TLC completed the sale of its 14 manufactured housing communities to an institutional asset manager for gross proceeds of $172.5 million (refer to Section 3.2).

It is management's intention to remain focused on its housing-centric investment strategy and invest only in sectors where Tricon can achieve sufficient scale and industry leadership. Tricon believes that its U.S. businesses are well-positioned to capitalize on the large millennial cohort (those born between 1980 and 2000) who are in the early stages of forming families, having children and ultimately moving to the suburbs where they can find relatively affordable single-family or multi-family housing and good schools. The more affluent are likely to continue to buy homes, benefiting Tricon's for-sale housing investments in THP, whereas the workforce may be more likely to rent single-family homes or multi-family apartments from institutional landlords such as TAH and TLR.

In Canada, TLR's build-to-core multi-family strategy is focused on one of the country's fastest growing cities – Toronto. TLR is a first mover in providing new high-quality professionally managed rental apartments, a form of housing that is in high demand and has been structurally under-built. The millennial cohort, the largest universe of renters, continues to grow meaningfully and represents 22.8% of the overall population in Toronto compared to 20.4% for all of Canada (source: Statistics Canada, RBC Economics Research). Further, Toronto continues to add high-quality jobs and is ranked among the top five fastest growing technology job markets in North America in 2018 (source: CBRE Group, Inc). TLR believes that the confluence of urbanization trends, strong population growth, a robust and diversified economy, and major housing affordability issues will support very attractive rental fundamentals in Toronto, and that its high-quality, service-oriented rental offerings are well-positioned to capitalize on these compelling factors.

2. HIGHLIGHTS

Financial highlights

Selected financial information in thousands of U.S. dollars (except per share amounts which are in U.S. dollars, unless otherwise indicated)

For the three months ended March 31	2019	2018
Total revenue and investment income from continuing operations	$ 58,656	$ 95,911
Total investment income from discontinued operations	–	1,568
Net income[1]	24,063	99,469
Basic earnings per share from:		
Continuing operations	0.17	0.72
Discontinued operations	–	0.02
Basic earnings per share	0.17	0.74
Diluted earnings per share from:		
Continuing operations	0.16	0.44
Discontinued operations	–	0.02
Diluted earnings per share	0.16	0.46
Dividends per share	C$ 0.07	C$ 0.07
Non-IFRS measures[2]		
Adjusted EBITDA	$ 69,870	$ 115,309
Adjusted net income	35,809	76,376
Adjusted basic EPS attributable to shareholders of Tricon	0.25	0.57
Adjusted diluted EPS attributable to shareholders of Tricon	0.23	0.49
As at March 31	2019	2018
Total assets	$ 1,784,910	$ 1,565,396
Total liabilities	573,467	544,454
Investments (including investments held for sale)	1,677,620	1,476,735
Debt	437,846	448,738
Assets under management (AUM)[3]	$ 5,939,254	$ 4,757,399

(1) Net income includes a TAH fair value gain recorded in the three months ended March 31, 2019 of $29.8 million compared to $76.1 million recorded in the same period in 2018, a decrease in the gain of $46.3 million. It also includes a fair value loss on embedded derivatives of $6.9 million related to the Company's outstanding convertible debentures compared to a $29.3 million gain recognized in the same period in 2018, which resulted in a decrease in net income of $36.1 million.

(2) Non-IFRS measures including Adjusted EBITDA, Adjusted net income, Adjusted basic and diluted earnings per share are presented to illustrate a normalized picture of the Company's performance. Refer to Section 6, Non-IFRS measures and Section 7, Reconciliation of non-IFRS financial measures. Note that these items include a TAH fair value gain recorded in the three months ended March 31, 2019 of $29.8 million compared to $76.1 million recorded in the same period in 2018, a decrease in the gain of $46.3 million.

(3) See Section 8.2 for a description of AUM.

Investment highlights by vertical

The following table includes IFRS-measured investment income as well as non-IFRS measures, including key performance metrics for each investment vertical. Such metrics are further described in detail in Section 4 where we discuss the operational results in each vertical. The investment values shown below represent Tricon's equity investment in each vertical.

For the three months ended March 31 (in thousands of U.S. dollars, except for percentages and units)	2019	2018
TRICON AMERICAN HOMES *(Refer to Sections 3.1, 3,2 and 4.1)*		
Investments – TAH	**$ 1,207,137**	**$ 1,012,757**
Investment income – TAH	**43,553**	**86,442**
Fair value gain included in investment income – TAH	29,818	76,096
Net operating income (NOI)	43,650	35,580
Net operating income (NOI) margin	64.7%	62.8%
Core funds from operations	16,280	12,706
Total homes managed	18,131	15,584
Occupancy	94.8%	95.3%
Stabilized occupancy	97.4%	96.9%
Total number of homes in same home portfolio	14,498	14,498
Same home net operating income (NOI)	37,670	34,465
Same home net operating income (NOI) growth	9.3%	N/A
Same home net operating income (NOI) margin	65.2%	63.0%
TRICON LIFESTYLE RENTALS *(Refer to Sections 3.1, 3.2 and 4.2)*		
Investments – TLR	**$ 142,058**	**$ 90,759**
Investment income – TLR	**5,387**	**1,017**
Units under development or lease-up	~3,500	1,296
TRICON HOUSING PARTNERS *(Refer to Sections 3.1, 3.2 and 4.3)*		
Investments – THP	**$ 328,425**	**$ 309,273**
Investment income – THP	**2,227**	**2,885**
TRICON LIFESTYLE COMMUNITIES *(Refer to Section 3.1)*		
Investments held for sale – TLC	**$ –**	**$ 63,946**
Investment income from discontinued operations – TLC	**–**	**1,568**
PRIVATE FUNDS AND ADVISORY *(Refer to Sections 3.1 and 4.4)*		
Third-party assets under management	$ 1,791,863	$ 1,201,228
Contractual fees and GP distributions	**7,286**	**5,559**
Performance fees	**203**	**8**

The presentation of TAH operating metrics above reflects the performance of the entire portfolio under management, including the TAH JV-1 portfolio, which is managed by a TAH subsidiary.

All metrics above are non-IFRS measures, except for investments, investment income, contractual fees, GP distributions and performance fees, and have been presented to illustrate the underlying performance of the Company's investments in each segment, which management believes is useful in understanding the value of these investments. Refer to Sections 7 and 8 for definitions and reconciliations to IFRS measures.

3. FINANCIAL REVIEW

The following section should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three months ended March 31, 2019.

3.1 Review of income statements

Consolidated statements of income

For the three months ended March 31
(in thousands of U.S. dollars, except per share amounts which are in U.S. dollars)

	2019	2018	Variance
Revenue			
Contractual fees	$ 7,036	$ 5,203	$ 1,833
General partner distributions	250	356	(106)
Performance fees	203	8	195
	7,489	5,567	1,922
Investment income			
Investment income – Tricon American Homes[1]	43,553	86,442	(42,889)
Investment income – Tricon Lifestyle Rentals	5,387	1,017	4,370
Investment income – Tricon Housing Partners	2,227	2,885	(658)
	51,167	90,344	(39,177)
Total revenue and investment income	**$ 58,656**	**$ 95,911**	**$(37,255)**
Expenses			
Compensation expense	8,699	9,723	1,024
General and administration expense	2,791	2,324	(467)
Interest expense	7,330	7,964	634
Other expenses (income)[2]	10,350	(27,922)	(38,272)
Realized and unrealized foreign exchange expense (gain)	180	(1,688)	(1,868)
	29,350	(9,599)	(38,949)
Income before income taxes	**29,306**	**105,510**	**(76,204)**
Income tax expense – current	(1,513)	(981)	(532)
Income tax expense – deferred	(3,730)	(8,585)	4,855
Net income from continuing operations	**24,063**	**95,944**	**(71,881)**
Net income from discontinued operations	**–**	**3,525**	**(3,525)**
Net income	**$ 24,063**	**$ 99,469**	**$(75,406)**
Attributable to:			
Shareholders of Tricon	$ 23,916	$ 99,727	$ (75,811)
Non-controlling interest	147	(258)	405
Net income	**$ 24,063**	**$ 99,469**	**$(75,406)**
Basic EPS attributable to shareholders of Tricon			
Continuing operations	$ 0.17	$ 0.72	$ (0.55)
Discontinued operations	–	0.02	(0.02)
Basic EPS attributable to shareholders of Tricon	**$ 0.17**	**$ 0.74**	**$ (0.57)**
Diluted EPS attributable to shareholders of Tricon			
Continuing operations	$ 0.16	$ 0.44	$ (0.28)
Discontinued operations	–	0.02	(0.02)
Diluted EPS attributable to shareholders of Tricon	**$ 0.16**	**$ 0.46**	**$ (0.30)**
Weighted average shares outstanding – basic	**144,345,582**	**134,245,883**	**10,099,699**
Weighted average shares outstanding – diluted[3]	**146,162,105**	**162,013,381**	**(15,851,276)**

(1) This includes a TAH fair value gain recorded in the three months ended March 31, 2019 of $29.8 million compared to $76.1 million recorded in the same period in 2018, a decrease in the gain of $46.3 million.

(2) This includes a fair value loss on embedded derivatives of $6.9 million related to the Company's outstanding convertible debentures compared to a $29.3 million gain recognized in the same period in 2018, which resulted in a decrease in net income of $36.1 million.

(3) For the three months ended March 31, 2019, the Company's convertible debentures were anti-dilutive, as debentures interest expense, net of tax, and the net change in fair value of derivative financial instruments would result in increased earnings per share upon conversion. Therefore, in computing the diluted weighted average shares outstanding and the associated earnings per share amount for the three months ended March 31, 2019, the impact of the convertible debentures was excluded (2018 – included).

Contractual fees

The following table provides further details regarding contractual fees for the three months ended March 31, 2019.

For the three months ended March 31 (in thousands of U.S. dollars)	2019	2018	Variance
Management fees – private Investment Vehicles	$ 3,779	$ 2,911	$ 868
Development fees – TLR Canada projects	545	534	11
Development fees – Johnson	2,712	1,758	954
Contractual fees	**$ 7,036**	**$ 5,203**	**$ 1,833**

Contractual fees for the three months ended March 31, 2019 totaled $7.0 million, an increase of $1.8 million from the same period in the prior year. The variance is attributable to:

- An increase of $1.0 million in Johnson development fees which was mainly driven by increased land sales at Cross Creek Ranch.
- An increase in management fees of $0.9 million primarily as a result of management fees earned from TAH JV-1, which was launched during the second quarter of 2018.

Investment income – Tricon American Homes

The following table provides details regarding the components of investment income from TAH for the three months ended March 31, 2019. The table below represents 100% of the operating portfolio managed by TAH and adjusts for third-party investor interests to reconcile to the investment income that is attributable to the Company.

For the three months ended March 31 (in thousands of U.S. dollars)	2019	2018	Variance
Total revenue	$ 67,421	$ 56,685	$ 10,736
Total operating expenses	(23,771)	(21,105)	(2,666)
Net operating income (NOI)[1,2]	**43,650**	**35,580**	**8,070**
Fair value gain[2,3]	29,818	76,096	(46,278)
Other expenses[2,4]	(9,457)	(6,765)	(2,692)
Interest expense[2]	(21,284)	(18,469)	(2,815)
Third-party investor interests[2]	826	–	826
Investment income – TAH	**$ 43,553**	**$ 86,442**	**$ (42,889)**

(1) KPI measure; see Section 8.1.

(2) TAH's NOI, fair value gain, other expenses and interest expense represent the results of the entire operating portfolio managed by TAH, and the portion not attributable to the Company's ownership is adjusted for as third-party investor interests below NOI. TAH's investment income reflects only the Company's ownership share in TAH JV-1 (see Section 4.1).

(3) Fair value gain is net of projected future disposition fees and it includes a TAH fair value gain recorded in the three months ended March 31, 2019 of $29.8 million compared to $76.1 million recorded in the same period in 2018, a decrease in the gain of $46.3 million.

(4) Other expenses are comprised of:

For the three months ended March 31 (in thousands of U.S. dollars)	2019	2018	Variance
Corporate overhead[5]	$ (6,086)	$ (4,405)	$ (1,681)
Transaction costs and non-recurring items[5]	(417)	(949)	532
Depreciation and non-cash items[5]	(1,285)	(1,413)	128
Deferred tax recovery	112	2	110
TAH JV-1 partner-level expenses[6]	(1,781)	–	(1,781)
Other expenses	**$ (9,457)**	**$ (6,765)**	**$ (2,692)**

(5) The comparative period has been reclassified to conform with the current period presentation. No changes to total other expenses were made as a result of this reclassification.

(6) These expenses represent 100% of TAH JV-1 costs that are not incurred at the operational level and include professional fees and interest expense on partner-level debt. The portion of these expenses not attributable to the Company's ownership is adjusted for as Third-party investor interests in the first table above.

TAH's investment income was $43.6 million for the three months ended March 31, 2019, a decrease of $42.9 million compared to the same period in 2018. The variance in investment income is attributable to:

- A TAH fair value gain of $29.8 million in the first quarter as compared to $76.1 million in the same period in 2018, a decrease in the gain of $46.3 million. Consistent with previous quarters, fair value gain is determined by using Broker Price Opinions ("BPOs") and the Home Price Index ("HPI") methodology on the remaining homes not subject to BPOs (see Section 9.1), net of capital expenditures. The HPI increase this quarter was 0.9% (3.6% annualized) compared to a 1.5% HPI increase in the first quarter of 2018 (6.0% annualized). No homes were valued using the BPO method in the first quarter of 2019 as compared to 2,674 homes which were valued in the same period in 2018.
- An increase of $8.1 million in net operating income ("NOI", a key performance indicator ("KPI"); refer to Section 8.1 for a description; see also footnote 2 in the table above) as a result of a larger leased portfolio, strong rent growth and containment of controllable expenses achieved across the portfolio (see Section 4.1).
- An increase of $2.8 million in interest expense attributable to a higher outstanding debt balance necessary to finance additional homes in the growing rental portfolio, combined with an increase in the portfolio weighted average interest rate (3.8% for Q1 2019 versus 3.7% for Q1 2018). The higher interest rate was driven by an 82 basis point increase in LIBOR over the last twelve months, which serves as the base rate for TAH's floating rate debt instruments. TAH currently has approximately 70% of its total debt locked in with fixed-rate financing thereby reducing its exposure to LIBOR fluctuations.
- An increase of $2.7 million in other expenses primarily as a result of higher costs associated with TAH JV-1 which was launched in June 2018, including interest expense on partner-level debt, and increased headcount to accommodate the growth plan at TAH.

Investment income – Tricon Lifestyle Rentals

The following table provides details regarding investment income from TLR for the three months ended March 31, 2019.

For the three months ended March 31 (in thousands of U.S. dollars)	2019	2018	Variance
Operating income during development[1]	$ 224	$ 210	$ 14
Other gains[1,2]	5,303	837	4,466
Interest expense[1]	(140)	(30)	(110)
Investment income – TLR	**$ 5,387**	**$ 1,017**	**$ 4,370**

(1) The comparative period has been reclassified to conform with the current period presentation. There is no impact on investment income as a result of this reclassification.

(2) Other gains are comprised of:

For the three months ended March 31 (in thousands of U.S. dollars)	2019	2018	Variance
Translation adjustment	$ 1,397	$ (971)	$ 2,368
Corporate overhead	(224)	(14)	(210)
Income tax expense	–	(43)	43
Transaction costs and non-recurring costs	(711)	(5)	(706)
Gain on investments held for sale	4,841	1,870	2,971
Other gains	**$ 5,303**	**$ 837**	**$ 4,466**

TLR's investment income was $5.4 million for the three months ended March 31, 2019, an increase of $4.4 million compared to $1.0 million for the same period in 2018. The variance is mainly attributable to:

- An increase of $4.5 million in other gains, comprised of an increase of $3.0 million from fair value gains on TLR U.S. projects held for sale and a $2.4 million increase in foreign exchange gain as the Canadian dollar strengthened during the quarter. The increase in other gains was partially offset by higher non-recurring transaction costs of $0.7 million relating to TLR's share of land transfer tax paid on the acquisition of 7 Labatt.
- An offsetting increase of $0.1 million in interest expense as The Selby has shifted from the development phase to the lease-up phase and thus interest expense is no longer capitalized as part of development costs.

Investment income – Tricon Housing Partners

The following table provides details regarding investment income from THP for the three months ended March 31, 2019.

For the three months ended March 31 (in thousands of U.S. dollars)	2019	2018	Variance
THP1 US	$ 2,093	$ 258	$ 1,835
THP2 US	(28)	40	(68)
THP3 Canada[1]	256	(180)	436
Direct investments[2]	271	2,380	(2,109)
Separate accounts[3]	(365)	445	(810)
Side-cars[4]	–	(58)	58
Investment income – THP	**$ 2,227**	**$ 2,885**	**$ (658)**

(1) Includes a foreign exchange gain of $146 for the three months ended March 31, 2019 compared to a $258 loss for the same period in 2018.

(2) Includes Trinity Falls and Bryson.

(3) Includes Cross Creek Ranch, Fulshear Farms, Grand Central Park, Trilogy at Verde River, Viridian, THP US SP1 and THP US SP2.

(4) Includes Trilogy at Vistancia West, Trilogy Lake Norman and Arantine Hills.

Investment income for the three months ended March 31, 2019 was $2.2 million, a decrease of $0.7 million compared to $2.9 million for the same period in 2018. The variance is mainly attributable to:

- A decrease of $2.1 million in investment income from direct investments as a result of lot development lag caused by weather-related construction delays at Trinity Falls. Despite the postponement of lot deliveries by approximately one quarter, projected net cash flow for Trinity Falls remains largely unchanged.
- A decrease of $0.8 million in investment income from separate account investments primarily as a result of ongoing cost increases and timing delays.
- An offsetting increase of $1.8 million in investment income from THP1 US as the fund progressed in line with the revised business plan adopted at the close of the fourth quarter of 2018.

Compensation expense

The table below provides a breakdown of compensation expense.

For the three months ended March 31 (in thousands of U.S. dollars)	2019	2018	Variance
Salaries and benefits	$ 4,278	$ 3,608	$ (670)
Annual incentive plan ("AIP")	4,011	4,049	38
Long-term incentive plan ("LTIP")	410	2,066	1,656
Total compensation expense	**$ 8,699**	**$ 9,723**	**$ 1,024**

Compensation expense for the three months ended March 31, 2019 decreased by $1.0 million compared to the same period in the prior year. The variance is attributable to:

- A decrease of $1.7 million in LTIP expense as a result of a decrease in estimated performance fee-related LTIP payable compared to an overall increase in the first quarter of 2018.
- An offsetting increase of $0.7 million in payroll costs due to staffing increases to accommodate the Company's ongoing growth plans and normal course salary adjustments.

General and administration expense

General and administration expense for the three months ended March 31, 2019 increased by $0.5 million compared to the same period in the prior year as a result of the Company's growth.

Interest expense

The table below provides a summary of interest expense.

For the three months ended March 31 (in thousands of U.S. dollars)	2019	2018	Variance
Credit facility interest	$ 3,741	$ 2,822	$ (919)
Debentures interest	2,846	3,883	1,037
Debentures discount amortization	647	1,175	528
Mortgage interest	78	84	6
Interest on lease obligation	18	–	(18)
Total interest expense	**$ 7,330**	**$ 7,964**	**$ 634**

Interest expense was $7.3 million for the three months ended March 31, 2019 compared to $8.0 million for the same period last year, a decrease of $0.6 million. The decrease was primarily driven by a reduction in debentures interest and debentures discount amortization from the previously-outstanding 5.60% convertible unsecured subordinated debentures (the "2020 convertible debentures") which were redeemed in full on October 9, 2018. The decrease was partially offset by an increase in credit facility interest as a result of a higher outstanding credit facility balance as well as a higher weighted average interest rate.

Other expenses (income)

The table below provides a breakdown of other expenses (income).

For the three months ended March 31 (in thousands of U.S. dollars)	2019	2018	Variance
Net change in fair value of derivative financial instruments	$ 6,885	$ (29,253)	$ (36,138)
Transaction costs	1,923	98	(1,825)
Amortization expense	1,542	1,233	(309)
Total other expenses (income)	**$ 10,350**	**$ (27,922)**	**$ (38,272)**

In the three months ended March 31, 2019, the fair value of the conversion feature of the Company's outstanding 5.75% extendible convertible unsecured subordinated debentures (the "2022 convertible debentures") increased by $6.9 million (2018 – decrease of $29.3 million), which is reflected as an expense of the Company (2018 – income). The net increase in the Company's derivative liability resulted from an overall increase (2018 – decrease) in the Company's share price on the Toronto Stock Exchange ("TSX") from December 31, 2018 to March 31, 2019. The comparative period includes the impact of both the 2020 convertible debentures and 2022 convertible debentures.

For the three months ended March 31, 2019, transaction costs of $1.9 million were incurred in connection with the recently-announced proposed acquisition of Starlight U.S. Multi-Family (No. 5) Core Fund (see Section 3.4 for further details).

Income tax expense

For the three months ended March 31, 2019, income tax expense was lower than the same period in the prior year as a result of a decrease in the deferred tax expense of $4.9 million which was partially offset by an increase in the current tax expense of $0.5 million. The decrease in deferred tax expense compared to the same period in the prior year was primarily the result of lower fair value gain and investment income at TAH, whereas the increase in current income tax expense reflects the growth in contractual fees.

Disposition of Tricon Lifestyle Communities

For the three months ended March 31, 2019, net income from the discontinued operations of TLC was nil (2018 – $3,525). On June 29, 2018, TLC completed the sale of its portfolio of 14 manufactured housing communities to an institutional asset manager for gross proceeds of $172.5 million.

3.2 Review of selected balance sheet items

As at (in thousands of U.S. dollars)	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Assets					
Cash	$ 13,292	$ 7,773	$ 6,720	$ 21,792	$ 11,809
Amounts receivable	13,063	17,934	17,257	17,657	13,465
Prepaid expenses and deposits	419	819	970	479	674
Investments – Tricon American Homes	1,207,137	1,145,221	1,107,962	1,064,140	1,012,757
Investments – Tricon Lifestyle Rentals	142,058	129,838	116,243	107,074	90,759
Investments – Tricon Housing Partners	328,425	307,564	318,187	312,727	309,273
Investments held for sale – Tricon Lifestyle Communities	–	–	–	–	63,946
Intangible assets	19,638	20,733	21,829	22,924	18,893
Deferred income tax assets	38,937	36,135	33,732	29,950	26,787
Other assets	21,941	21,645	21,829	21,077	17,033
Total assets	**$ 1,784,910**	**$ 1,687,662**	**$ 1,644,729**	**$ 1,597,820**	**$ 1,565,396**
Liabilities					
Amounts payable and accrued liabilities	$ 8,079	$ 6,429	$ 14,532	$ 19,438	$ 6,432
Dividends payable	7,514	7,350	7,503	7,115	7,251
Long-term incentive plan	21,720	21,407	16,492	16,154	16,145
Debt	437,846	374,716	396,545	417,659	448,738
Deferred income tax liabilities	87,487	81,226	71,404	64,386	57,647
Derivative financial instruments	10,821	3,936	14,162	17,768	8,241
Total liabilities	**573,467**	**495,064**	**520,638**	**542,520**	**544,454**
Equity					
Share capital	794,857	793,521	758,830	717,485	715,288
Contributed surplus	18,422	17,468	19,096	17,473	16,426
Cumulative translation adjustment	19,507	19,525	19,189	19,336	20,420
Retained earnings	369,646	353,220	317,472	291,319	258,907
Total shareholders' equity	1,202,432	1,183,734	1,114,587	1,045,613	1,011,041
Non-controlling interest	9,011	8,864	9,504	9,687	9,901
Total equity	**1,211,443**	**1,192,598**	**1,124,091**	**1,055,300**	**1,020,942**
Total liabilities and equity	**$ 1,784,910**	**$ 1,687,662**	**$ 1,644,729**	**$ 1,597,820**	**$ 1,565,396**

Investments – Tricon American Homes

Investments in TAH increased by $61.9 million to $1.2 billion as at March 31, 2019, from $1.1 billion as at December 31, 2018. The increase was driven by:

- Advances of $29.4 million primarily for the acquisition and renovation of rental homes, including a $14.2 million contribution to TAH JV-1.
- Investment income of $43.6 million consisting of $29.8 million of fair value gains and $43.7 million of NOI, offset by $21.3 million of interest expense and $8.6 million of overhead and other expenses net of third-party investor interests.
- Offsetting cash distributions of $11.0 million to Tricon.

(in thousands of U.S. dollars)	As at December 31, 2018	Advances	Investment income	Distributions	As at March 31, 2019
Investments – TAH	**$ 1,145,221**	**$ 29,363**	**$ 43,553**	**$ (11,000)**	**$ 1,207,137**

Investments – Tricon Lifestyle Rentals

Investments in TLR increased by $12.2 million to $142.1 million as at March 31, 2019, from $129.8 million as at December 31, 2018. The investment balance is comprised of $76.5 million invested in TLR Canada and $65.6 million invested in TLR U.S. The overall increase during the three months ended March 31, 2019 was mainly driven by advances of $6.8 million relating to the acquisition of a new TLR Canada project and construction progress on existing projects, along with investment income of $5.4 million (consisting of $4.8 million of fair value gains on TLR U.S. projects and $0.6 million of other net gains – see Section 3.1).

(in thousands of U.S. dollars)	As at December 31, 2018	Advances	Investment income	Distributions	As at March 31, 2019
Investments – TLR	**$ 129,838**	**$ 6,833**	**$ 5,387**	**$ –**	**$ 142,058**

Investments – Tricon Housing Partners

Investments in THP increased by $20.9 million to $328.4 million as at March 31, 2019, from $307.6 million as at December 31, 2018. The increase was primarily a result of the $19.6 million acquisition of the Bryson master-planned community in Austin, Texas on February 1, 2019, $2.9 million of advances to Trinity Falls and investment income of $2.1 million from THP1 US. These increases were partially offset by $4.3 million of cash distributions to Tricon.

(in thousands of U.S. dollars)	As at December 31, 2018	Advances	Investment income (loss)	Distributions	As at March 31, 2019
THP1 US	$ 86,067	$ –	$ 2,093	$ (684)	$ 87,476
THP2 US	26,265	173	(28)	–	26,410
THP3 Canada	6,599	–	256	–	6,855
Direct investments[1]	111,342	22,563	271	–	134,176
Separate accounts[2]	67,215	50	(365)	(3,386)	63,514
Side-cars[3]	10,076	129	–	(211)	9,994
Investments – THP	**$ 307,564**	**$ 22,915**	**$ 2,227**	**$ (4,281)**	**$ 328,425**

(1) Includes Trinity Falls and Bryson.

(2) Includes Cross Creek Ranch, Fulshear Farms, Grand Central Park, Trilogy at Verde River, Viridian, THP US SP1 and THP US SP2.

(3) Includes Trilogy at Vistancia West, Trilogy Lake Norman and Arantine Hills.

Debt

The following table summarizes the consolidated debt position of the Company.

	Terms				Debt balance (in thousands of U.S. dollars)[1]	
(in thousands of dollars)	Currency	Total principal amount	Maturity date	Interest rate terms	March 31, 2019	December 31, 2018
Revolving term credit facility	USD	$ 365,000	June 2020	LIBOR+3.25%	$ 271,250	$ 209,250
2022 convertible debentures	USD	$ 172,500	March 2022	5.75%	158,153	157,112
Mortgage	CAD	$ 9,711	November 2024	4.38%	7,267	7,150
Lease obligation	USD	$ 1,176	March 2026	5.60%	1,176	1,204
					$ 437,846	**$ 374,716**

(1) Balances shown are presented in U.S. dollars and exclude the fair value of derivative financial instruments embedded in the convertible debentures (see Section 3.1, Other expenses (income)). The mortgage is denominated in Canadian dollars. USD/CAD exchange rates used to present debt balances in U.S. dollars are at March 31, 2019: 1.3363 and at December 31, 2018: 1.3642.

The Company has access to a $365.0 million corporate revolving credit facility provided by a syndicate of lenders. As of March 31, 2019, $271.3 million was drawn from the facility, and the Company had a cash balance of $13.3 million. Subsequent to quarter-end, TLR U.S. completed the sale of its 90% interest in The McKenzie project partnership for net proceeds to Tricon of $49.9 million (see Section 4.2), which were used in part to repay a portion of Tricon's revolving term credit facility.

As of March 31, 2019, there was $172.5 million in outstanding aggregate principal amount of 5.75% extendible convertible unsecured subordinated debentures of the Company (the "2022 convertible debentures"). The 2022 convertible debentures bear interest at 5.75% per annum and are convertible into 16,491,397 common shares of the Company at a conversion rate of 95.6023 common shares per $1,000 principal amount, or a conversion price of approximately $10.46 per common share (equivalent to C$13.98 as of March 31, 2019). There were no conversions of the 2022 convertible debentures during the three months ended March 31, 2019.

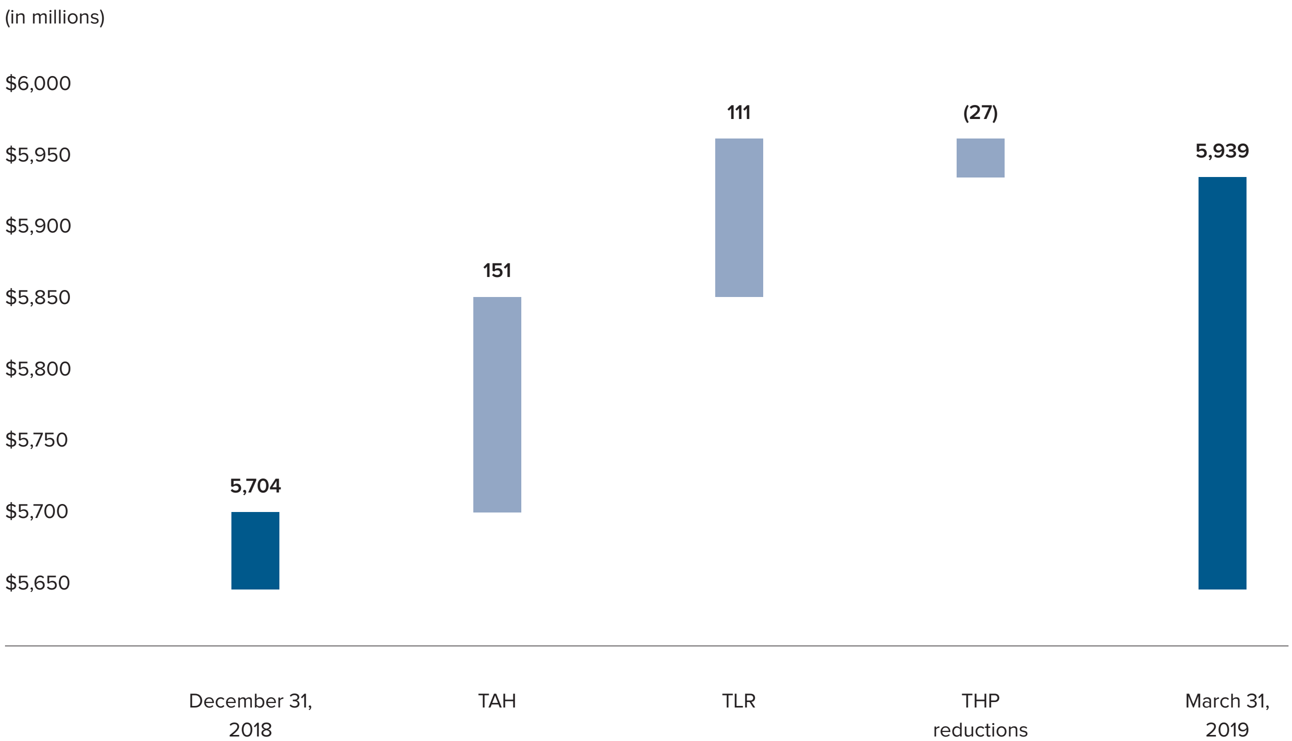
As of March 31, 2019, the Company had an outstanding mortgage loan of $7.3 million (C$9.7 million), which was used to finance the acquisition of the Company's head office in Toronto. The mortgage carries a fixed interest rate of 4.38% per annum compounded semi-annually and matures on November 22, 2024.

On April 1, 2018, the Company entered into an agreement to lease office space at 260 California Street, San Francisco, with an expiration date of March 2026. The initial lease obligation recognized was $1.3 million, and the carrying value was $1.2 million as at March 31, 2019.

3.3 Assets under management

Assets under management ("AUM") (KPI measure; refer to Section 8.2) were $5.9 billion as at March 31, 2019, representing an increase of $0.2 billion since December 31, 2018. Refer to Section 8.2 for a detailed description of AUM.

CHANGES IN ASSETS UNDER MANAGEMENT



As shown in the chart above, which summarizes the changes in AUM over the period on a vertical-by-vertical basis, the changes in AUM since December 31, 2018 were:

- An increase of $150.8 million in TAH AUM driven primarily by home acquisitions and renovations for the TAH wholly-owned and TAH JV-1 portfolios as well as $32.3 million of fair value adjustments (excluding projected future disposition fees) related to home price appreciation (see Section 4.1).
- An increase of $111.1 million in TLR AUM from the acquisition of 7 Labatt, construction expenditures and fair value gains recognized at other projects during the quarter, as well as a favourable adjustment in foreign exchange rates.
- A decrease of $26.6 million in THP AUM predominantly as a result of $41.8 million of distributions from THP2 US and $13.2 million of distributions from THP US SP1, partially offset by an additional $25.4 million of committed capital related to the acquisition of Bryson.

The following table provides a further breakdown of the components of principal investment and Private Funds and Advisory AUM.

(in thousands of U.S. dollars)	March 31, 2019[1]	December 31, 2018[1]	September 30, 2018[1]	June 30, 2018[1]	March 31, 2018[1]
PRINCIPAL INVESTMENTS[2]					
Tricon American Homes	**$ 3,435,719**	**$ 3,333,773**	**$ 3,267,062**	**$ 3,247,512**	**$ 2,866,838**
Tricon Lifestyle Rentals					
Canada	172,222	141,871	134,846	119,314	71,290
U.S.	173,264	163,545	154,284	139,738	119,697
Tricon Lifestyle Rentals	**345,486**	**305,416**	**289,130**	**259,052**	**190,987**
Tricon Housing Partners					
THP1 US	96,905	95,496	101,447	101,272	103,102
THP2 US	29,228	29,253	30,716	31,246	30,898
THP3 Canada	12,496	12,125	14,994	15,049	15,444
Direct investments	143,264	117,643	114,014	111,545	107,882
Separate accounts	71,693	75,444	76,038	77,392	77,306
Side-cars	12,600	12,811	16,698	17,149	17,714
Tricon Housing Partners	**366,186**	**342,772**	**353,907**	**353,653**	**352,346**
Tricon Lifestyle Communities[3]	**–**	**–**	**–**	**–**	**146,000**
Principal investments	**$ 4,147,391**	**$ 3,981,961**	**$ 3,910,099**	**$ 3,860,217**	**$ 3,556,171**
PRIVATE FUNDS AND ADVISORY					
Tricon American Homes	**$ 609,957**	**$ 561,069**	**$ 497,500**	**$ 497,500**	**$ –**
Tricon Lifestyle Rentals	**345,576**	**274,528**	**275,918**	**268,364**	**178,555**
Tricon Housing Partners					
THP1 US	25,048	24,442	26,324	26,687	26,711
THP2 US	97,727	138,662	176,115	192,603	200,171
THP1 Canada	–	–	–	106	626
THP2 Canada	20,398	19,981	22,820	23,110	23,603
THP3 Canada	73,003	71,312	105,841	104,046	105,284
Separate accounts	392,737	404,851	417,670	431,460	431,460
Side-cars	212,090	212,090	212,139	212,517	212,517
Syndicated investments	15,327	15,014	19,945	20,970	22,301
Tricon Housing Partners	**836,330**	**886,352**	**980,854**	**1,011,499**	**1,022,673**
Private Funds and Advisory	**$ 1,791,863**	**$ 1,721,949**	**$ 1,754,272**	**$ 1,777,363**	**$ 1,201,228**
Total assets under management	**$ 5,939,254**	**$ 5,703,910**	**$ 5,664,371**	**$ 5,637,580**	**$ 4,757,399**

(1) USD/CAD exchange rates used at each balance sheet date are: at March 31, 2019: 1.3363; December 31, 2018: 1.3642; September 30, 2018: 1.2945; June 30, 2018: 1.3168; March 31, 2018: 1.2894.

(2) Principal investment assets under management may differ from Tricon's investment balance at period-end (see Section 8.2).

(3) Tricon Lifestyle Communities assets under management were disposed of in the second quarter of 2018.

3.4 Subsequent events

On April 2, 2019, the Company announced that it has entered into an arrangement agreement (the "Arrangement Agreement") pursuant to which it will acquire all of the issued and outstanding limited partnership units of Starlight U.S. Multi-Family (No. 5) Core Fund (the "Fund") in an all-share transaction (the "Starlight Transaction"), which is expected to close by the end of the second quarter of 2019, subject to outstanding closing conditions. The Starlight Transaction will result in the indirect acquisition of the Fund's portfolio of 23 multi-family properties totaling 7,289 units located primarily in the U.S. Sun Belt (the "Fund Portfolio") and is valued at approximately $1.4 billion. The Company will also indirectly assume approximately $916 million of the Fund's existing debt upon closing. The Starlight Transaction will be funded by issuing 50,779,314 Tricon common shares ("Tricon Shares") to the Fund's unitholders on the closing date. The total number of common shares to be issued was computed using an implied value of C$13.10 per Tricon Share. Refer to the Company's news release dated April 2, 2019 and information circular dated May 2, 2019 (both of which are available on SEDAR) for additional details concerning the Starlight Transaction. A special meeting of shareholders of the Company will be held on June 6, 2019 to approve the issuance of Tricon Shares in connection with the Starlight Transaction.

On May 6, 2019, the Board of Directors of the Company declared a dividend of seven cents per share in Canadian dollars payable on or after July 15, 2019 to shareholders of record on June 30, 2019.

4. OPERATIONAL REVIEW OF INVESTMENT VERTICALS AND PRIVATE FUNDS AND ADVISORY BUSINESS

Management believes that information concerning the underlying activities within each of the Company's investment verticals is useful for investors in understanding the Company's overall performance, and this section presents key operating highlights for the quarter on a vertical-by-vertical basis. Although the Company's performance is primarily measured by investment income and changes in fair value of its various investments, management also monitors the underlying activities within those investments using key performance indicators to provide a better understanding of the performance of the Company's investments. A list of these key performance indicators, together with a description of what information each measure reflects and the reasons why management believes the measure to be useful or relevant in evaluating the underlying performance of the Company's investments, is set out in Section 8.1, Key performance indicators. The supplemental measures presented herein are not recognized under IFRS and should not be construed as alternatives to investment income determined in accordance with IFRS as indicators of Tricon's financial performance. Tricon's method of calculating these measures may differ from other issuers' methods and, accordingly, these measures may not be comparable to similar measures presented by other publicly-traded entities.

4.1 Tricon American Homes

TAH continued to generate strong operating metrics in the first quarter of 2019 driven by solid rent growth and moderate resident turnover. Highlights for the same home portfolio for the quarter include a 65.2% NOI margin, 9.3% year-over-year NOI growth, 5.7% blended rent growth and 97.7% leased occupancy. Highlights for the consolidated portfolio under management for the quarter include a 64.7% NOI margin, 5.7% blended rent growth and a 20.8% annualized turnover rate.

The discussion and presentation of TAH operating metrics throughout this section reflect the performance of the entire portfolio under management, including the TAH JV-1 portfolio, which is managed by a TAH subsidiary.

TAH purchased 730 homes during the quarter (689 homes net of dispositions) and entered Raleigh and Nashville, two new markets with strong growth fundamentals. Of these new homes, 565 were acquired for TAH JV-1 and 165 for TAH's wholly-owned portfolio. Acquisition volumes in the first and fourth quarters are typically lower due to seasonality and volume tends to be stronger in the second and third quarters. TAH plans to continue growing its portfolio of managed homes over the course of 2019 and expects to buy 3,000–3,500 homes during the year, with the vast majority of these acquisitions intended for TAH JV-1. As of March 31, 2019, TAH managed a portfolio of 18,094 rental homes (18,131 total homes, including 37 homes held for sale), of which 2,568 were owned by TAH JV-1.

TAH's stabilized occupancy rate (which excludes homes that were recently acquired and not yet leased) was 97.4% at March 31, 2019, reflecting continued strong market demand for rental homes. The overall leased portfolio occupancy rate was 94.8% at March 31, 2019 as a result of a significant number of recently-acquired homes still in the initial renovation and leasing process.

During the quarter, TAH realized strong average rent growth of 5.7% on its consolidated portfolio, comprised of 7.6% growth on new leases and 4.7% on renewals, while maintaining a record low turnover rate of 20.8%, a decrease from 24.9% recorded in the first quarter of 2018. This favourable result reflects continuing strong market demand for high-quality, well-located rental homes and a superior customer service offering that prioritizes resident satisfaction and retention.

The tables in this section provide a summary of certain operating metrics for TAH's rental home portfolio that management uses to evaluate the performance of TAH over time and relative to industry peers. These metrics reflect the performance of all homes managed by TAH, comprised of homes owned by TAH JV-1 and homes wholly-owned by TAH. Many of the metrics referenced in these tables are KPI measures that are defined in Section 8.1.

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
TAH wholly-owned homes	15,563	15,439	15,547	15,995	15,584
TAH JV-1 homes	2,568	2,003	1,219	–	–
Total homes managed	18,131	17,442	16,766	15,995	15,584
Less homes held for sale	37	28	147	47	89
Rental homes	18,094	17,414	16,619	15,948	15,495
Homes acquired	730	802	810	505	396
Less homes disposed	(41)	(126)	(39)	(94)	(30)
Net homes acquired during the quarter[1]	689	676	771	411	366
Occupancy	94.8%	92.4%	93.1%	95.2%	95.3%
Stabilized occupancy	97.4%	96.2%	96.3%	97.1%	96.9%
Annualized turnover rate	20.8%	23.6%	27.7%	30.9%	24.9%
Average monthly rent	$ 1,364	$ 1,350	$ 1,336	$ 1,315	$ 1,296
Average quarterly rent growth – renewal	4.7%	5.6%	5.4%	4.8%	4.3%
Average quarterly rent growth – new move-in	7.6%	7.9%	9.4%	9.4%	6.3%
Average quarterly rent growth – blended	5.7%	6.4%	6.7%	6.4%	5.0%

(1) Of the net homes acquired during the quarter, 565 were acquired by TAH JV-1 and 124 homes were TAH wholly-owned homes.

The above metrics are key drivers of TAH revenue and ultimately its net operating income (KPI measure; refer to Section 8.1). Net operating income and fair value gains from home price appreciation are the main contributors to investment income – TAH (per Tricon's income statement). The table below presents a breakdown of TAH net operating income and a reconciliation to investment income – TAH on Tricon's income statement. The financial information presented in this table and throughout this section is an aggregation of all entities and balances within the TAH vertical on a standalone basis and does not necessarily reflect the audited financial information of any particular TAH entity.

For the three months ended March 31 (in thousands of U.S. dollars)	2019	2018	Variance
Total revenue[1]	$ 67,421	$ 56,685	$ 10,736
Property taxes	11,055	9,096	(1,959)
Repairs, maintenance and turnover	4,839	5,395	556
Property management fees	4,764	4,027	(737)
Property insurance	1,085	967	(118)
Homeowners' association (HOA) costs	790	741	(49)
Other direct expenses	1,238	879	(359)
Total operating expenses	23,771	21,105	(2,666)
Net operating income (NOI)	**$ 43,650**	**$ 35,580**	**$ 8,070**
Net operating income (NOI) margin	**64.7%**	**62.8%**	
Fair value gain	29,818	76,096	(46,278)
Other expenses[2]	(9,457)	(6,765)	(2,692)
Interest expense[2]	(21,284)	(18,469)	(2,815)
Third-party investor interests	826	–	826
Investment income – TAH (per Tricon income statement)	**$ 43,553**	**$ 86,442**	**$ (42,889)**
Warehouse credit facility interest	$ 1,426	$ 2,373	$ 947
Securitization debt 2016-1 interest	3,366	3,374	8
Securitization debt 2017-1 interest	4,169	4,169	–
Securitization debt 2017-2 interest	3,432	3,424	(8)
Securitization debt 2018-1 interest	3,152	–	(3,152)
Silver Bay acquisition warehouse facility interest	–	1,907	1,907
Term loan interest	3,983	3,222	(761)
TAH JV-1 warehouse credit facility interest	1,756	–	(1,756)
Interest expense	$ 21,284	$ 18,469	$ (2,815)
Weighted average interest rate	3.8%	3.7%	

(1) Includes bad debt expense of $545 (2018 – $439) for the three months ended March 31, 2019.

(2) Refer to Section 3.1 for a discussion of other expenses and interest expense.

Total portfolio

During the first quarter of 2019, TAH's total revenue increased by $10.7 million or 19% to $67.4 million compared to $56.7 million in the same period in 2018. The increase is attributable to: (i) an increased average leased portfolio (17,153 homes for Q1 2019 versus 14,767 in Q1 2018) resulting from increased acquisition and leasing activities; and (ii) higher in-place rents achieved across the entire portfolio (average monthly rent of $1,364 in Q1 2019 versus $1,296 in Q1 2018). This significant revenue growth, offset by a smaller increase in operating expenses (discussed below), contributed to an $8.1 million or 23% net increase in NOI to $43.7 million in the first quarter of 2019 compared to $35.6 million in the same period in 2018.

TAH's NOI margin increased to 64.7% for the first quarter of 2019 compared to 62.8% for the same period in the prior year. The increase is attributable to higher revenue partly offset by increased property tax expense driven largely by higher home values. While most operating expenses increased with a larger portfolio, the repairs, maintenance and turnover expense decreased by $0.6 million or 10% to $4.8 million in the first quarter of 2019 compared to $5.4 million in the same period in 2018 as a result of operating efficiencies from ongoing internalization of the repairs and maintenance function as well as a lower turnover rate.

TAH's fair value gain in the three months ended March 31, 2019 was $29.8 million compared to $76.1 million in the three months ended March 31, 2018. The HPI increase this quarter was 0.9% (3.6% annualized) compared to a 1.5% HPI increase in the first quarter of 2018 (6.0% annualized). The current quarter fair value gain is in line with management's expected national home price appreciation for 2019, which has moderated over the past several months, though it remains in line with long-term historical trends.

Funds from operations and core funds from operations

Funds from operations ("FFO") and core funds from operations ("Core FFO") (KPI measures; refer to Section 8.1) are metrics that management believes to be helpful in evaluating TAH's business and comparing its performance to industry peers. FFO represents investment income excluding the impact of fair value adjustments and other non-cash items. Core FFO presents FFO as a normalized figure, adjusting for transaction costs and non-recurring items. The table below provides a reconciliation of investment income – TAH (as presented on Tricon's income statement) to FFO and Core FFO.

For the three months ended March 31 (in thousands of U.S. dollars)	2019	2018	Variance
Investment income – TAH	$ 43,553	$ 86,442	$ (42,889)
Fair value gain[1]	(29,818)	(76,096)	46,278
Depreciation and non-cash items[2]	1,285	1,413	(128)
Deferred tax recovery	(112)	(2)	(110)
TAH JV-1 partner-level expenses	1,781	–	1,781
Third-party investor interests	(826)	–	(826)
Funds from operations (FFO)	**$ 15,863**	**$ 11,757**	**$ 4,106**
Transaction costs and non-recurring costs[2,3]	417	949	(532)
Core funds from operations (Core FFO)	**$ 16,280**	**$ 12,706**	**$ 3,574**

(1) Fair value gain is presented net of change in projected future disposition fees and illustrates the gain on all rental homes managed by TAH.

(2) The comparative period has been reclassified to conform with the current period presentation. No changes to total FFO or Core FFO were made as a result of this reclassification.

(3) Results for the three months ended March 31, 2019 include loan facility financing costs of $332 and other non-recurring costs of $85. Results for the three months ended March 31, 2018 include Silver Bay integration-related expenses of $717, restructuring-related expenses of $172, and other non-recurring costs of $60.

For the first quarter of 2019, Core FFO increased by $3.6 million or 28% to $16.3 million compared to $12.7 million in the same period in the prior year. This improvement was attributable to higher NOI driven by a larger rental portfolio, strong rent growth and operating expense containment, partly offset by higher interest expense on a larger outstanding debt balance as well as higher corporate overhead costs associated with staffing increases to accommodate the growth plan for TAH JV-1.

Same home portfolio

"Same home" or "same home portfolio" includes homes that were stabilized 90 days prior to the first day of the prior-year comparative period as per the guidelines of the National Rental Home Council. It excludes homes that have been sold and homes that have been designated for sale. This same home portfolio is defined on January 1 of each reporting year. Based on this definition, any home included in the same home portfolio will have satisfied the conditions described above prior to September 30, 2017, and those homes are held in operations throughout the full periods presented in both 2018 and 2019.

For the three months ended March 31 (in thousands of U.S. dollars, except per home data)	2019	2018	Variance
Operating metrics – same home			
Rental homes	14,498	14,498	–
Occupancy	97.7%	96.9%	0.8%
Annualized turnover rate	22.9%	25.5%	2.6%
Average monthly rent	$ 1,368	$ 1,303	$ 65
Average quarterly rent growth – renewal	4.7%	4.2%	0.5%
Average quarterly rent growth – new move-in	7.6%	6.2%	1.4%
Average quarterly rent growth – blended	5.7%	5.0%	0.7%

For the 14,498 homes comprising the same home portfolio, rent growth was 5.7% (including 7.6% on new leases), accompanied by a 0.8% increase in occupancy to 97.7% from 96.9% recorded in the same period in 2018. The same home portfolio's annualized turnover decreased by 260 basis points to 22.9% for the three months ended March 31, 2019 compared to 25.5% in the same period in 2018.

For the three months ended March 31 (in thousands of U.S. dollars)	2019	% of revenue	2018	% of revenue	Variance
Income statement – same home					
Rental revenue	$ 56,397		$ 53,604		$ 2,793
Fees and other revenue	1,881		1,565		316
Bad debt	(467)		(425)		(42)
Total revenue	57,811	100%	54,744	100%	3,067
Revenue growth					5.6%
Property taxes	9,289	16%	8,793	16%	(496)
Repairs, maintenance and turnover	4,380	8%	5,157	9%	777
Property management fees	4,079	7%	3,905	7%	(174)
Property insurance	970	2%	932	2%	(38)
Homeowners' association (HOA) costs	645	1%	716	1%	71
Other direct expenses	778	1%	776	1%	(2)
Total operating expenses	20,141		20,279		138
Operating expense variance					0.7%
Net operating income (NOI)	**$ 37,670**		**$ 34,465**		**$ 3,205**
Net operating income (NOI) growth					**9.3%**
Net operating income (NOI) margin	**65.2%**		**63.0%**		

Total revenue for the same home portfolio increased by $3.1 million or 6% to $57.8 million in the first quarter of 2019 compared to $54.7 million for the same period in the prior year. The increase in revenue is primarily a result of increases in the average monthly rent and higher ancillary revenue from pet fees and renters insurance recoveries.

Same home operating expenses decreased by $0.1 million or 1% to $20.1 million in the first quarter of 2019 from $20.3 million in the same period in 2018. This variance is largely attributable to favourable reductions in repairs, maintenance and turnover costs, partly offset by increases in property taxes. The following is a description of these key expenses:

- **Repairs, maintenance and turnover** – TAH achieved a $0.8 million or 15% decrease in repairs, maintenance and turnover costs to $4.4 million attributable to (i) lower resident turnover driven by an increased focus on resident stability, (ii) a lower cost per turn resulting from a newly-implemented process that enables better visibility, oversight and discipline regarding expense management, and (iii) operating efficiencies achieved from continuing to internalize the repairs and maintenance function.
- **Property taxes** – Higher property taxes were accrued in the current quarter as home prices have appreciated in TAH's target markets, increasing the expense by $0.5 million or 6% to $9.3 million. TAH is working with a property tax consultant to monitor property tax assessments throughout the year.

In summary, with strong revenue growth and expense containment, same home NOI increased by 9.3% year-over-year to $37.7 million in the first quarter of 2019 compared to $34.5 million in the first quarter of 2018. Same home NOI margin increased to 65.2% in the first quarter of 2019 from 63.0% in the same period in the prior year.

Assets under management and investment balance

TAH's principal investment AUM (KPI measure; refer to Section 8.2) is based on TAH's share of the fair value of the homes in the portfolio under management, which is determined via the HPI or BPO methodologies discussed in Section 9.1, plus its own unfunded equity commitment.

	TAH principal investments			
(in thousands of U.S. dollars)	TAH's share of investment vehicle	Fair value of homes A	Unfunded equity commitment B	Principal investment AUM A + B
TAH wholly-owned	100.0%	$ 3,093,189	$ –	$ 3,093,189
TAH JV-1	33.7%	152,163	190,367	342,530
Total		**$ 3,245,352**	**$ 190,367**	**$ 3,435,719**

The table below represents 100% of the assets and liabilities of TAH entities wholly-owned by Tricon as well as TAH JV-1 operating entities. The third-party investors' 66.3% ownership interest in the TAH JV-1 operating entities is then deducted to arrive at Tricon's investment in TAH as shown on Tricon's balance sheet.

(in thousands of U.S. dollars)		Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Purchase price of homes		$ 2,639,801	$ 2,510,590	$ 2,378,431	$ 2,259,951	$ 2,180,878
Cumulative capital expenditures[1]		303,541	278,629	252,218	234,301	220,058
Total cost basis of rental homes		$ 2,943,342	$ 2,789,219	$ 2,630,649	$ 2,494,252	$ 2,400,936
Cost of homes held for sale		3,585	2,863	15,816	4,078	11,904
Cumulative fair value adjustment[2]		598,230	565,885	540,698	496,682	453,998
Portfolio home price appreciation during the quarter		0.9%	1.4%	1.5%	1.7%	1.5%
Fair value of managed homes		**$ 3,545,157**	**$ 3,357,967**	**$ 3,187,163**	**$ 2,995,012**	**$ 2,866,838**
Less projected future disposition fees		31,307	30,563	30,340	30,713	29,303
Fair value of managed homes, net	A	3,513,850	3,327,404	3,156,823	2,964,299	2,837,535
Add:						
Other net assets (liabilities)[3]	B	(46,020)	(44,837)	(29,784)	76,729	83,689
Less:						
Warehouse credit facility (LIBOR+2.65%)		123,660	100,546	74,443	99,687	216,251
Securitization debt 2016-1 (3.59% fixed)		361,168	361,440	361,906	362,234	362,470
Securitization debt 2017-1 (3.50% fixed)		462,105	462,594	462,594	462,594	462,594
Securitization debt 2017-2 (3.58% fixed)		364,574	364,574	364,819	365,000	365,000
Securitization debt 2018-1 (3.86% fixed)		313,865	313,865	313,865	313,865	–
Silver Bay acquisition warehouse facility (LIBOR+3.26% blended)		–	–	22,602	25,926	154,570
Term loan (LIBOR+2.00%)		347,582	347,582	347,582	347,582	347,582
TAH JV-1 warehouse credit facility (LIBOR+2.50%)		169,533	95,832	–	–	–
Total debt	C	2,142,487	2,046,433	1,947,811	1,976,888	1,908,467
Third-party investor interests[4]	D	118,206	90,913	71,266	–	–
Investments – TAH (per Tricon balance sheet)	A+B−C−D	**$ 1,207,137**	**$ 1,145,221**	**$ 1,107,962**	**$ 1,064,140**	**$ 1,012,757**
Fair value of TAH wholly-owned homes	E	$ 3,093,189	$ 3,013,157	$ 2,983,297	$ 2,995,012	$ 2,866,838
Fair value of TAH JV-1 homes	F	451,968	344,810	203,866	–	–
Fair value of managed homes	G=E+F	**$ 3,545,157**	**$ 3,357,967**	**$ 3,187,163**	**$ 2,995,012**	**$ 2,866,838**
Tricon's ownership interest of total fair value	(E+33.7% of F)/G	91.5%	93.2%	95.8%	100.0%	100.0%
Cash		77,502	82,214	79,992	84,142	84,499
Debt-to-cost (net of cash)		70.1%	70.3%	70.6%	75.8%	75.6%
Debt-to-value (net of cash)		58.2%	58.5%	58.6%	63.2%	63.6%

(1) Cumulative capital expenditures include initial, post-rehab and other capital expenditures.

(2) Cumulative fair value adjustment is net of capital expenditures and third-party operator performance fees.

(3) Other net assets (liabilities) include working capital of Tricon SF Home Rental ULC and its wholly-owned subsidiaries as well as TAH JV-1 working capital and partner-level debt.

(4) The portion of the fair value of homes, debt and other net assets (liabilities) not attributable to the Company is adjusted for as third-party investor interests.

The table below presents Tricon's share of the key operating metrics of TAH's total portfolio under management.

For the three months ended March 31, 2019 (in thousands of U.S. dollars)	Tricon's share	Total managed portfolio	Tricon's share (%)
Net operating income (NOI)	$ 41,148	$ 43,650	94.3%
Core funds from operations (Core FFO)	15,442	16,280	94.9%
Fair value of homes	3,245,352	3,545,157	91.5%

As at March 31, 2019, TAH's rental portfolio is diversified across 18 target markets. Market-level details on all the homes managed by TAH are presented below.

Geography	Total homes managed[1]	Rental homes	Homes leased	Vacant homes under marketing	Vacant homes under turn or renovation	Occupancy	Stabilized occupancy
Atlanta	4,361	4,359	4,097	62	201	94.0%	97.4%
Phoenix	2,025	2,025	1,984	5	36	98.0%	98.9%
Charlotte	1,960	1,947	1,809	68	70	92.9%	96.0%
Tampa	1,588	1,586	1,525	34	27	96.2%	98.0%
Dallas	1,430	1,427	1,347	37	43	94.4%	97.7%
Houston	1,168	1,168	1,077	59	32	92.2%	94.8%
Northern California	1,009	1,009	996	5	8	98.7%	98.7%
Columbia	805	798	671	47	80	84.1%	91.8%
Southeast Florida	724	717	699	4	14	97.5%	97.5%
Indianapolis	606	606	575	11	20	94.9%	97.9%
Las Vegas	603	603	598	–	5	99.2%	99.3%
Jacksonville	520	520	494	8	18	95.0%	98.2%
Orlando	444	443	438	1	4	98.9%	98.9%
San Antonio	346	344	307	22	15	89.2%	94.8%
Southern California	279	279	277	–	2	99.3%	99.3%
Reno	251	251	250	–	1	99.6%	99.6%
Nashville	9	9	5	–	4	55.6%	N/A
Raleigh	3	3	–	–	3	–	N/A
Total/Weighted average	**18,131**	**18,094**	**17,149**	**363**	**583**	**94.8%**	**97.4%**

(1) Includes 37 homes held for sale.

Geography	Average purchase price per home	Average capital expenditures per home[1]	Average total cost per home	Average size (sq. feet)	Average monthly rent	Average monthly rent per sq. foot
Atlanta	$ 130,000	$ 13,000	$ 143,000	1,775	$ 1,263	$ 0.71
Phoenix	172,000	7,000	179,000	1,688	1,258	0.75
Charlotte	130,000	20,000	150,000	1,590	1,246	0.78
Tampa	154,000	18,000	172,000	1,550	1,496	0.97
Dallas	140,000	16,000	156,000	1,570	1,436	0.92
Houston	126,000	23,000	149,000	1,607	1,356	0.84
Northern California	196,000	22,000	218,000	1,304	1,753	1.34
Columbia	108,000	20,000	128,000	1,507	1,208	0.80
Southeast Florida	121,000	41,000	162,000	1,406	1,683	1.20
Indianapolis	120,000	20,000	140,000	1,595	1,226	0.77
Las Vegas	165,000	12,000	177,000	1,648	1,330	0.81
Jacksonville	143,000	5,000	148,000	1,505	1,293	0.86
Orlando	171,000	5,000	176,000	1,496	1,400	0.94
San Antonio	117,000	29,000	146,000	1,617	1,317	0.81
Southern California	151,000	32,000	183,000	1,295	1,714	1.32
Reno	150,000	25,000	175,000	1,548	1,574	1.02
Nashville	257,000	–	257,000	1,913	1,725	0.90
Raleigh	186,000	–	186,000	1,508	N/A	N/A
Total/Weighted average	**$ 142,000**	**$ 17,000**	**$ 159,000**	**1,607**	**$ 1,364**	**$ 0.85**

(1) Average capital expenditures per home only reflects capital expenditures incurred by TAH and not by prior institutional owners, where applicable.

4.2 Tricon Lifestyle Rentals

TLR's active projects under development progressed according to their business plans during the first quarter of 2019. A summary of TLR's principal investments is presented below with a reconciliation of the investment balances to AUM (KPI measure; refer to Section 8.2).

	TLR principal investments				
(in thousands of U.S. dollars)	Outstanding invested capital (at cost)	Investment at fair value[1] A	Share of outstanding project debt B	Unfunded equity commitment C	Principal investment AUM A + B + C
TLR Canada	$ 52,802	$ 78,954	$ 41,285	$ 51,983	$ 172,222
TLR U.S.	60,982	83,470	88,267	1,527	173,264
Total	**$ 113,784**	**$ 162,424**	**$ 129,552**	**$ 53,510**	**$ 345,486**

(1) Investments – TLR per Tricon balance sheet of $142,058 is comprised of investment in TLR Canada of $76,448 and investment in TLR U.S. of $65,610. In the table above, TLR Canada investment at fair value of $78,954 is shown before other net liabilities of $2,506, and TLR U.S. investment at fair value of $83,470 is shown before net liabilities and non-controlling interest of $17,860.

Additional details pertaining to TLR's development projects are presented below:

	Location	TLR's share of Investment Vehicle	Projected construction[1] Start	End	Projected total cost[1] ($000)	Projected rental units[1]	Projected retail/office[1] (sq. feet)
The Selby (592 Sherbourne)	Toronto, ON	15.0%	Q1 2015	Q2 2019	$ 149,400	500	~5,000
The Taylor (57 Spadina)	Toronto, ON	30.0%	Q1 2018	Q1 2021	121,800	286	~45,000
The James (Scrivener Square)	Toronto, ON	50.0%	TBD	TBD	TBD	TBD	TBD
Shops of Summerhill	Toronto, ON	25.0%	N/A	N/A	N/A	N/A	30,820
West Don Lands	Toronto, ON	33.3%	Q2 2019	~2023	TBD	~1,500	TBD
8 Gloucester	Toronto, ON	47.0%	Q4 2019	Q3 2022	100,000	232	3,200
7 Labatt[2]	Toronto, ON	30.0%	Q2 2020	Q3 2023	259,700	300	65,000
TLR Canada		**~30%**			**~$ 1,200,000**	**~3,000**	
TLR U.S.		**90.0%**			**$ 152,000**	**508**	
Total					**~$ 1,352,000**	**~3,500**	

(1) Projected timelines and costs and anticipated rentable building elements are forward-looking statements. Refer to page 1, Non-IFRS measures and forward-looking statements.

(2) Projected total cost for 7 Labatt also includes projected development costs for 300 for-sale condominium units.

Operational highlights include the following:

Tricon Lifestyle Rentals – Canada

In the first quarter of 2019, TLR Canada expanded its portfolio to seven development projects in Toronto with the formation of a new separate account to support the acquisition and development of 7 Labatt, a 1.3-acre development site in the thriving Corktown neighbourhood that will include approximately 300 purpose-built rental units and 300 for-sale condominium units. TLR Canada, alongside an institutional investor, acquired an 80% interest in the project, which will be developed in partnership with TAS Design Build. TLR Canada's portfolio now comprises of approximately 3,000 rental units under pre-development, construction or lease-up with an aggregate expected cost of $1.2 billion (C$1.6 billion). TLR Canada holds an approximate 30% average equity interest in this portfolio, with the balance held by institutional and strategic partners in its various projects. TLR Canada continues to demonstrate an ability to acquire development sites in prime downtown locations, despite a very competitive land market, by entering into joint ventures with landowners seeking to intensify their sites and to benefit from stable, long-term cash-generating rental assets.

The Selby, TLR Canada's first project to commence leasing, experienced strong leasing demand in the first quarter of 2019, with 105 new lease applications approved and signed, despite a seasonally slower winter period. As of March 31, 2019, The Selby had 123 units under signed lease or approved application, with the building's first 35 floors available for rent and the final 15 floors expected to become available in the second quarter of 2019. Subsequent to quarter-end, Maison Selby, a restaurant and bar operated by Oliver & Bonacini located in The Selby's historic mansion, opened to the public, and is expected to be an attractive amenity for potential residents. With construction approaching completion, TLR Canada is now in the process of securing a permanent loan to replace the existing construction loan.

Below-grade construction continues to progress at The Taylor with bulk excavation substantially completed and forming now underway. The Entertainment District submarket continues to be a dominant rental market, achieving the second highest per-square-foot rental rates of any submarket in Toronto, second only to Yorkville.

At The James, located in the upmarket Rosedale/Summerhill neighbourhood, zoning and design continue to advance. Final zoning approvals are expected in mid-2019 and demolition of existing buildings on-site is anticipated to commence in the last quarter of 2019.

TLR Canada and its joint venture partners continue to advance the design and entitlements on Block 8/20, part of the first phase of the Ontario government's Affordable Housing Lands Program in the West Don Lands in Toronto. Construction is anticipated to commence in the fourth quarter of 2019. Additionally, the joint venture partners have commenced preliminary design development on the next phase, Blocks 3/4/7, with COBE (the Danish architecture firm also engaged at The James) and a leading Toronto-based architect.

TLR Canada is preparing to commence demolition at 8 Gloucester in mid-2019, with below-grade construction set to commence immediately thereafter. Ideally located just south of Yonge and Bloor, 8 Gloucester is expected to draw interest from Yorkville renters and professionals working in the nearby Discovery District.

Tricon Lifestyle Rentals – U.S.

Subsequent to quarter-end, TLR U.S. completed the sale of its 90% interest in The McKenzie project partnership for net proceeds to Tricon of $49.9 million, which is ahead of underwriting (for both net proceeds and timing of sale) and represents an IRR and ROI of 18% and 1.6x, respectively.

At The Maxwell in Frisco, Texas, construction of the 325-unit rental building was substantially completed during the quarter. Lease-up continued during the quarter, and the building was 45% leased as of quarter-end with average in-place rent per square foot largely in line with underwriting. TLR U.S. intends to sell its 90% interest in The Maxwell by the end of 2019.

4.3 Tricon Housing Partners

A summary of THP's principal investments is presented in the following table with a reconciliation of the investment balances to AUM (KPI measure; refer to Section 8.2). The table also summarizes historical and projected cash flows to Tricon arising from the sale of finished lots, homes and condominium units from THP's projects generally over the next eight to ten years (forward-looking information; refer to page 1).

	THP principal investments					Tricon's cash flows		
(in thousands of U.S. dollars)	THP's share of Investment Vehicle	Outstanding invested capital (at cost)	Investment at fair value A	Unfunded commitment B	Principal investment AUM A + B	Advances to date	Distributions to date[1]	Projected distributions net of advances remaining[5]
THP1 US	68.4%	$ 57,051	$ 87,476	$ 9,429	$ 96,905	$ 271,222	$ 281,258	$ 108,171
THP2 US	7.5%	22,127	26,410	2,818	29,228	22,182	28	31,433
THP3 Canada	10.2%	7,520	6,855	5,641	12,496	9,326	6,718	7,683
Direct investments[2]	100.0%	108,012	134,176	9,088	143,264	108,012	–	312,822
Separate accounts[3]	12.9%	52,741	63,514	8,179	71,693	72,163	36,599	121,103
Side-cars[4]	7.5%	20,904	9,994	2,606	12,600	21,007	2,059	21,958
Total		**$ 268,355**	**$ 328,425**	**$ 37,761**	**$ 366,186**	**$ 503,912**	**$ 326,662**	**$ 603,170**

Adjusted EBITDA[5] – 2019 (3 months)	$ 2,011
As a % of invested capital at March 31, 2019	3%

(1) Distributions include repayments of preferred return and capital.
(2) Direct investments includes Trinity Falls and Bryson.
(3) Separate accounts include Cross Creek Ranch, Grand Central Park, Fulshear Farms, Trilogy at Verde River, Viridian, THP US SP1 and THP US SP2.
(4) Side-cars include Trilogy at Vistancia West, Trilogy Lake Norman and Arantine Hills.
(5) Adjusted EBITDA is a non-IFRS measure. Projected distributions are forward-looking information. Refer to page 1, Non-IFRS measures and forward-looking statements.

For the three months ended March 31, 2019, THP Adjusted EBITDA of $2.0 million represented a 3% net return on outstanding invested capital at cost, which remains below management's target. As discussed in prior quarters, THP continued to experience higher construction costs and extended development timelines, driven by labour constraints, lengthened municipal permitting and approvals, as well as increased competition for active-adult housing. These challenges have generally pushed out development timelines and cash flows, resulting in lower fair value gains and in some cases fair value losses when discount rates are applied to determine the present value. Despite this, net cash flows across the aggregate portfolio remain largely unchanged.

From an operational perspective, highlights for THP's principal investments include:

THP1 US

During the quarter, THP1 US distributed $1.0 million to investors, including $0.7 million to Tricon. THP1 US investment income increased year-over-year as the fund progressed in line with the revised business plan adopted at the close of the fourth quarter of 2018.

THP2 US

THP2 US distributed $41.8 million to its investors during the first quarter of 2019. Of the total distributions, the two largest contributors were: (i) $26.5 million from the sale of a multi-family development in Frisco, Texas; and (ii) $9.7 million from Avanti, a condominium development in Calabasas, California.

In spite of meaningful cash flow distributions from assets being harvested, the fund's performance is expected to remain tempered as higher construction costs and delayed lot deliveries continue to negatively impact project budgets.

THP3 Canada
THP3 Canada distributed $1.9 million (C$2.6 million) to its investors during the first quarter of 2019. These distributions were generated from the Mahogany master-planned community development in Calgary, Alberta and were received ahead of schedule.

Direct investments
At the Trinity Falls master-planned community in Dallas-Fort Worth, Texas, a total of 41 lots were sold to homebuilders and 43 homes were sold by homebuilders to end consumers in the first quarter of 2019 compared to 43 lots and 47 homes sold in the same period in 2018. The project sold its first active-adult lots during the quarter and will begin offering a range of smaller, more affordable lots to homebuilders in the second quarter of 2019. Although home sales remained steady year-over-year, weather-related construction delays resulted in additional lot sales being postponed by approximately one quarter.

On February 1, 2019, THP closed the acquisition of Bryson, a fully-entitled 530-acre master-planned community development near Austin, Texas, with Johnson as the developer. The project has flexible entitlements for the build-out of approximately 1,250 single-family homes and 83 acres of mixed-use development. Tricon's capital commitment to the project is $25.4 million, including $19.6 million funded upon closing.

THP has commenced a sale process to syndicate a majority interest in Trinity Falls to a third-party investor. It also intends to ultimately syndicate its ownership interest in the Bryson master-planned community development.

Separate accounts and side-cars
The Viridian master-planned community in Dallas-Fort Worth, Texas continued to perform as expected, with a total of 53 lots sold to homebuilders and 76 homes sold by homebuilders to end consumers in the first quarter of 2019 compared to 36 lot closings and 112 home sales in the same period in 2018. Home sales are expected to increase as additional smaller and more affordable lots are delivered starting mid-year. In 2018, Viridian was ranked in the "Top 50 Top-Selling Master-Planned Communities" according to RCLCO.

The Cross Creek Ranch master-planned community in Houston, Texas distributed $6.5 million to its investors, including $0.3 million to Tricon. A total of 96 lots were sold to homebuilders and 137 homes were sold by homebuilders to end consumers in the first quarter of 2019 compared to 74 lots and 115 homes sold in the same period in 2018. Cross Creek Ranch was ranked in 2018 among the "Top 50 Top-Selling Master-Planned Communities" according to RCLCO for the second consecutive year.

At the Grand Central Park master-planned community in Houston, Texas, 19 lots were scheduled to close in the first quarter of 2019; however, as a result of modest delivery delays, 18 of these lots ultimately closed early in the second quarter of 2019. Meanwhile, home sales were tempered in the first quarter of 2019 as the project continues to optimize its product mix, enhance its marketing efforts and improve its amenity package. This includes supplementing existing amenities and designing a large central amenity centre that is currently planned to break ground in late 2019 and be completed by late 2020.

At Arantine Hills (marketed as "Bedford"), a master-planned community in Corona, California, 334 of 393 first-phase lots have been sold to homebuilders, and homebuilders have sold 30 homes since the grand opening in September 2018. To date, home-buyer traffic and third-party home sales remain below expectations throughout the Inland Empire and at Arantine Hills due to ongoing affordability challenges across Southern California. In response to the weakened market and ongoing cost and affordability pressures, an in-depth analysis is being performed to identify further opportunities to drive sales, including a revised product mix focused on smaller and more affordable homes in future phases.

Total project inventory and sales summary
The following table outlines total units and total units sold (since inception of the THP Investment Vehicles included below) by market and by type to provide a comprehensive view of home and lot sales.

	Total units[2]					Total units sold				
As of March 31, 2019[1]	Land (acres)	Single-family lots	Homes (units)	Multi-family units	Retail (sq. ft.)	Land (acres)	Single-family lots	Homes (units)	Multi-family units	Retail (sq. ft.)
U.S.	1,183	27,344	6,422	1,495	37,173	345	8,278	4,241	1,467	32,373
Canada	268	3,661	1,034	5,097	195,060	202	2,800	819	5,047	181,860
Total units	**1,451**	**31,005**	**7,456**	**6,592**	**232,233**	**547**	**11,078**	**5,060**	**6,514**	**214,233**
As of December 31, 2018[1]										
U.S.	1,091	26,648	6,387	1,537	46,173	334	7,403	4,088	1,422	32,373
Canada	268	3,661	1,034	5,097	195,060	202	2,797	799	5,055	181,860
Total units	**1,359**	**30,309**	**7,421**	**6,634**	**241,233**	**536**	**10,200**	**4,887**	**6,477**	**214,233**

(1) Total units and total units sold shown above include all projects in the Company's active private Investment Vehicles under the THP investment vertical (THP1 US, THP2 US, THP1 Canada, THP2 Canada, THP3 Canada, Trinity Falls, Bryson, separate accounts and side-cars).

(2) Total units are based on the developers' current business plans for all projects and may change as a result of business plan updates.

4.4 Private Funds and Advisory

Tricon manages $1.8 billion of third-party capital across Tricon's TAH, TLR and THP investments through private commingled funds, separate accounts, syndicated investments and joint ventures. Tricon manages capital on behalf of Canadian, American and international institutional investors, including pension funds, sovereign wealth funds, insurance companies, endowments and foundations, as well as family offices and high net-worth accredited investors. The Company's strategy is to continue raising and managing third-party capital in each of its investment verticals to scale its business faster, generate additional fee income and drive shareholder value. Tricon manages third-party capital for seven of the top 50 investors listed on the PERE 2018 Top 50 Global Investor report published in November 2018.

The table below provides a summary of Investment Vehicles in which Tricon manages third-party capital, along with a reconciliation of the investment balances to AUM (KPI measure; refer to Section 8.2).

	Third-party investments			
(in thousands of U.S. dollars)	Outstanding invested capital (at cost) A	Share of outstanding project debt B	Unfunded equity commitment[1] C	Third-party AUM A + B + C
TAH[2]	**$ 125,017**	**$ 191,924**	**$ 293,016**	**$ 609,957**
TLR Canada[3]	**114,486**	**133,783**	**97,307**	**345,576**
THP				
THP1 US	21,081	–	3,967	25,048
THP2 US	72,243	–	25,484	97,727
Separate accounts[4]	330,941	–	61,796	392,737
Side-cars[5]	188,140	–	23,950	212,090
THP1 Canada	–	–	–	–
THP2 Canada	19,343	–	1,055	20,398
THP3 Canada	63,218	–	9,785	73,003
Canadian syndicated investments[6]	10,234	–	5,093	15,327
Subtotal – THP	**$ 705,200**	**$ –**	**$ 131,130**	**$ 836,330**
Total – Third-party investments	**$ 944,703**	**$ 325,707**	**$ 521,453**	**$ 1,791,863**

(1) Commitments to projects include guarantees made under loan agreements plus reserves. Project commitments can exceed total capitalization as a result of reinvestment rights.

(2) TAH includes TAH JV-1. Third-party investors' share of the outstanding debt includes their share of the TAH JV-1 warehouse credit facility and the TAH JV-1 subscription loan, the latter of which is a substitute for invested capital and can be replaced by equity funding at management's discretion.

(3) TLR Canada includes The Selby, The Taylor, The James, Shops of Summerhill, West Don Lands, 8 Gloucester and 7 Labatt. Other than in respect of The Selby, The Taylor and 7 Labatt, TLR Canada has partnered with strategic partners who do not pay performance fees to the Company for any management of their invested capital.

(4) Separate accounts include Cross Creek Ranch, Grand Central Park, Fulshear Farms, Trilogy at Verde River, Viridian, THP US SP1 and THP US SP2.

(5) Side-cars include Trilogy at Vistancia West, Trilogy Lake Norman and Arantine Hills.

(6) Canadian syndicated investments include Heritage Valley, 5 St. Joseph and Mahogany.

Third-party AUM as at March 31, 2019 increased by $69.9 million or 4% to $1.8 billion compared to $1.7 billion as at December 31, 2018. This increase was mainly driven by $60.1 million of third-party capital from the formation of a new TLR Canada separate account for the acquisition of 7 Labatt, along with an increase in debt at TAH JV-1 to finance the acquisition of 565 single-family rental homes. These increases were partially offset by a decrease in THP third-party AUM as a result of distributions from THP2 US and THP US SP1.

During the first quarter of 2019, the Private Funds and Advisory business continued to generate contractual fees in its various investment verticals. Details of contractual fees by Investment Vehicle are presented below, including management fees earned from private Investment Vehicles, development fees earned through the TLR investments, development fees earned from Johnson, and performance fees.

For the three months ended March 31 (in thousands of U.S. dollars)	2019	2018	Variance
Tricon American Homes			
Management fees	$ 981	$ –	$ 981
Subtotal – TAH	**$ 981**	**$ –**	**$ 981**
Tricon Lifestyle Rentals			
Management fees	217	211	6
Development fees – TLR Canada projects	545	534	11
Subtotal – TLR	**$ 762**	**$ 745**	**$ 17**
Tricon Housing Partners			
Management fees and general partner distributions	2,831	3,056	(225)
Development fees – Johnson	2,712	1,758	954
Performance fees	203	8	195
Subtotal – THP	**$ 5,746**	**$ 4,822**	**$ 924**
Total revenue	**$ 7,489**	**$ 5,567**	**$ 1,922**

Private Funds and Advisory revenue for the three months ended March 31, 2019 totaled $7.5 million, an increase of $1.9 million from $5.6 million in the same period in the prior year. The increase is largely attributable to:

- An increase in revenue of $1.0 million from TAH as a result of management fees earned from the new single-family rental joint venture (TAH JV-1), which was launched during the second quarter of 2018.
- An increase in revenue of $1.0 million in Johnson development fees which was mainly driven by increased land sales at Cross Creek Ranch.

The table below provides a summary of projected returns for each Investment Vehicle along with projected performance fees that Tricon could earn over time based on current business plans (forward-looking information; see page 1). Projected returns and estimated performance fees are based on Tricon's analysis of projected cash flows over their expected life for existing investments in its Investment Vehicles. Projected cash flows are determined based on detailed quarterly and/or annual budgets prepared by management or third-party developers or in certain cases based on third-party appraisals performed in the fourth quarter. Net returns presented reflect all fees paid by investors; the net return to any given investor will vary depending on the individual investor's management fee and carried interest rate.

	Projected returns				Estimated performance fees to Tricon remaining
(in thousands of U.S. dollars)	Gross ROI	Gross IRR	Net ROI	Net IRR	
TAH[1]	**2.1x**	**14%**	**2.0x**	**12%**	**$ 32,000**
TLR Canada[2]	**2.7x**	**13%**	**2.6x**	**13%**	**12,115**
THP					
THP1 US	2.1x	13%	1.7x	10%	12,921
THP2 US	1.6x	11%	1.4x	8%	–
Separate accounts[3]	2.2x	14%	2.2x	14%	28,384
Side-cars[4]	1.4x	3%	1.4x	3%	–
THP1 Canada	2.0x	15%	1.6x	11%	5,504
THP2 Canada	1.6x	12%	1.4x	9%	–
THP3 Canada	1.9x	13%	1.5x	9%	–
Canadian syndicated investments and other[5]	2.0x	10%	1.9x	9%	432
Subtotal – THP					**$ 47,241**
Total					**$ 91,356**

(1) TAH includes TAH JV-1.
(2) TLR Canada includes The Selby, The Taylor, The James, Shops of Summerhill, West Don Lands, 8 Gloucester and 7 Labatt. Performance fees are earned only on The Selby, The Taylor and 7 Labatt.
(3) Separate accounts include Cross Creek Ranch, Grand Central Park, Fulshear Farms, Trilogy at Verde River, Viridian, THP US SP1 and THP US SP2.
(4) Side-cars include Trilogy at Vistancia West, Trilogy Lake Norman and Arantine Hills.
(5) Canadian syndicated investments include Heritage Valley, 5 St. Joseph and Mahogany.

The Johnson Companies LP ("Johnson")

The following table provides a summary of Johnson's development advisory fees, as well as unit sales of lots and land parcels to homebuilders which generate fee revenue for Johnson. In addition, the table provides total third-party home sales at Johnson's active communities as an indicator of end-consumer demand, which should ultimately drive homebuilder demand for future lot inventory within Johnson communities. Johnson currently has 18 master-planned communities under development. Those communities reflect a combined 45,300 acres under development on which 78,900 residential units (64,600 single-family residential units and 14,300 multi-family residential units) and 16.7 million square feet of commercial space are planned. Note that the table below includes sales data for THP-owned projects, as well as those in which Tricon holds no ownership interest but does receive lot development and/or commercial brokerage fees resulting from its majority ownership interest in Johnson.

For the three months ended March 31 (in thousands of U.S. dollars, except for land, lot and home sales)	2019	2018	Variance
Development fees – Johnson	$ 2,712	$ 1,758	$ 954
Lot closings	361	455	(94)
Land sales (acres)	135	16	119
Third-party home sales	1,019	1,031	(12)

Development fees were $2.7 million for the three months ended March 31, 2019 compared to $1.8 million for the same period last year, an increase of $1.0 million. Lot closings decreased compared to the same period in 2018, but total revenue increased due to the bulk sale of a significant residential parcel to a national homebuilder at Cross Creek Ranch. Additionally, record third-party home sales in 2018 are expected to drive demand for lots in 2019 and beyond as homebuilders replenish inventories, which should enable Johnson to generate strong development fees across its portfolio.

Johnson's reputation for developing high-quality master-planned communities is further evidenced by Johnson being the only master-planned community developer in the United States to have six MPCs ranked in the top 50 in the last two years according to RCLCO Real Estate Advisors and John Burns Real Estate Consulting.

5. LIQUIDITY AND CAPITAL RESOURCES

5.1 Financing strategy

The Company seeks to maintain financial strength and flexibility by lowering its cost of debt and equity capital and minimizing interest rate fluctuations over the long term. Some key elements of Tricon's financing strategy are:

- Using various forms of debt such as floating rate bank financing and unsecured debentures with conversion features, and attempting to stagger the maturity of its obligations.
- Using convertible debentures where the principal can be redeemed by the issuance of common shares at the Company's option.
- Redeploying capital as its interests in investments are liquidated to capitalize on further investment opportunities with attractive returns.
- Where appropriate, raising equity through the public markets to finance its growth and strengthen its financial position.

5.2 Liquidity

Tricon generates substantial liquidity through:

- Cash distributions generated from the turnover of assets with shorter investment horizons.
- Syndicating investments to private investors and thereby extracting Tricon's invested capital.
- Stable cash flow received from our income-generating TAH investment vertical.
- Repatriation of equity extracted through refinancings within TAH.
- Fee income from our Private Funds and Advisory business.

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 investment platforms. Our primary sources of liquidity consist of cash and a corporate credit facility.

Working capital

As at March 31, 2019, Tricon had a net working capital surplus of $10.9 million, reflecting current assets of $26.8 million, offset by payables and accrued liabilities of $15.8 million.

5.3 Capital resources

Debt structure

Management mitigates interest rate risk by maintaining the majority of its debt at fixed rates. The impact of variable interest rate increases or decreases is discussed in the Company's annual consolidated financial statements. Management also mitigates its exposure to fixed-rate interest risk by staggering maturities 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 Company's long-term debt structure is summarized in Section 3.2.

The Company provides non-recourse guarantees for certain TAH indebtedness and provides limited financial guarantees for all land and construction financing under TLR.

As at March 31, 2019, the Company was in compliance with all of its financial covenants.

Equity issuance and cancellations

The Company's Dividend Reinvestment Plan ("DRIP") provides eligible holders of common shares with the opportunity to reinvest their cash dividends paid on the Company's common shares to purchase additional common shares at a price equal to the average market price (as defined in the DRIP) on the applicable dividend payment date, less an applicable discount of up to 5% determined by the Board from time to time.

As of March 31, 2019, there were 143,442,251 common shares issued by the Company, of which 143,204,810 were outstanding and 237,441 shares were reserved to settle restricted share awards in accordance with the Company's Restricted Share Plan.

6. NON-IFRS MEASURES

The Company has included in this MD&A certain supplemental measures of performance, including those described below. We utilize these measures in managing the business and evaluating its performance. Management believes that adjusted EBITDA in particular (and the other non-IFRS measures listed below) is an important indicator of the Company's ability to generate liquidity through operating cash flows to fund future working capital needs, service outstanding debt, and fund future capital expenditures. We believe that providing these performance measures on a supplemental basis is helpful to investors in assessing the overall performance of the Company's business. Refer to the discussion of our use of non-IFRS measures on page 1.

In preparing the adjusted financial information presented in this section, management has eliminated both non-recurring and non-cash items to present a normalized picture of the Company's financial performance. The measures used include:

- Adjusted EBITDA is defined as net income (loss) from continuing and discontinued operations attributable to shareholders of Tricon before income tax (from both consolidating and investment entities), interest (from both consolidating and investment entities), amortization, stock option expense, transaction costs and non-recurring and non-cash expenses.
- Adjusted net income is defined as net income (loss) from continuing and discontinued operations attributable to shareholders of Tricon before transaction costs and non-recurring and non-cash expenses.
- Adjusted basic EPS is defined as adjusted net income divided by the weighted average basic common shares outstanding in the period. Adjusted diluted EPS is defined as adjusted net income, plus the interest expense recognized on any dilutive convertible debt (net of the tax impact of that interest), divided by the weighted average diluted common shares outstanding in the period, assuming the conversion of all dilutive convertible debt. See the notes to the table entitled Consolidated statements of income in Section 3.1 for a description of the potential dilutive impact of outstanding convertible debt.

The table below provides a breakdown of Adjusted EBITDA and Adjusted net income.

For the three months ended March 31 (in thousands of U.S. dollars, except per share amounts which are in U.S. dollars)		2019	2018	Variance
TAH Adjusted EBITDA	A	$ 65,766	$ 106,985	$ (41,219)
TLR Adjusted EBITDA	B	6,525	2,066	4,459
THP Adjusted EBITDA	C	2,011	3,172	(1,161)
TLC Adjusted EBITDA	D	–	8,182	(8,182)
Fee income net of adjusted non-controlling interest	E	6,925	5,306	1,619
Adjusted EBITDA before corporate overhead		81,227	125,711	(44,484)
Adjusted compensation expense	F	(8,566)	(8,078)	(488)
General and administration expense		(2,791)	(2,324)	(467)
Adjusted EBITDA		**69,870**	**115,309**	**(45,439)**
Stock option expense		(190)	(316)	126
Adjusted interest expense	G	(28,311)	(26,085)	(2,226)
Adjusted amortization expense	H	(1,125)	(714)	(411)
Adjusted net income before taxes		**40,244**	**88,194**	**(47,950)**
Adjusted income tax expense	I	(4,435)	(11,818)	7,383
Adjusted net income		**$ 35,809**	**$ 76,376**	**$ (40,567)**
Adjusted basic EPS attributable to shareholders of Tricon		**$ 0.25**	**$ 0.57**	**$ (0.32)**
Adjusted diluted EPS attributable to shareholders of Tricon		**$ 0.23**	**$ 0.49**	**$ (0.26)**
Weighted average shares outstanding – basic		**144,345,582**	**134,245,883**	**10,099,699**
Weighted average shares outstanding – diluted		**162,653,502**	**162,013,381**	**640,121**
TAH Adjusted EBITDA before fair value gain		35,948	30,889	5,059
TAH fair value gain		29,818	76,096	(46,278)
TAH Adjusted EBITDA		**65,766**	**106,985**	**(41,219)**
Adjusted EBITDA before TAH fair value gain		40,052	39,213	839
TAH fair value gain		29,818	76,096	(46,278)
Adjusted EBITDA		**69,870**	**115,309**	**(45,439)**

Refer to Section 7 for detailed reconciliations of the non-IFRS measures marked "A" to "I" in the table above to net income determined under IFRS.

- For the three months ended March 31, 2019, Adjusted EBITDA decreased by $45.4 million or 39% to $69.9 million compared to $115.3 million in the same period in the prior year. This decrease was mainly attributable to a reduction in TAH Adjusted EBITDA, which included a $46.3 million decrease in fair value gain offset by an $8.1 million increase in NOI as a result of a larger leased portfolio, strong rent growth and containment of controllable expenses achieved across the TAH portfolio. Further, TLC Adjusted EBITDA decreased by $8.2 million as its portfolio of 14 manufactured housing communities was disposed of in June 2018. Excluding TAH fair value gains, Adjusted EBITDA for the three months ended March 31, 2019 would have increased nominally to $40.1 million compared to $39.2 million in the same period in the prior year.
- Adjusted net income, which excludes non-recurring items, decreased by $40.6 million or 53% to $35.8 million for the three months ended March 31, 2019 compared to $76.4 million for the same period in the prior year. The decrease is attributable to lower Adjusted EBITDA, as discussed above, and higher Adjusted interest expense, partially offset by lower Adjusted income tax expense.
- Adjusted basic EPS decreased by $0.32 or 56% to $0.25 for the three months ended March 31, 2019 compared to $0.57 in the same period in the prior year. Adjusted diluted EPS decreased by $0.26 or 53% to $0.23 for the three months ended March 31, 2019 compared to $0.49 in the same period in the prior year. The decrease in Adjusted basic and diluted EPS is attributable to lower Adjusted net income for the reasons noted above.

7. RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

The tables below reconcile the adjusted non-IFRS financial measures presented in Section 6 to measures reflected in the Company's condensed interim consolidated financial statements for the three months ended March 31, 2019.

For the three months ended March 31 (in thousands of U.S. dollars)	2019	2018
Net income	**$ 24,063**	**$ 99,469**
Non-recurring adjustments:		
Transaction costs	5,155	4,461
Non-cash adjustments:		
Non-controlling interest	(147)	258
Unrealized foreign exchange (gain) loss at investment level	(1,543)	1,229
Accrued LTIP (recovery) expense[1]	(57)	1,329
Debentures discount amortization	647	1,175
Net change in fair value of derivative financial instruments	6,885	(29,253)
Realized and unrealized foreign exchange expense (gain)	180	(1,688)
Tax recovery (expense) on non-recurring and non-cash expenses	626	(604)
Adjusted net income[2]	**$ 35,809**	**$ 76,376**
Add:		
Stock option expense	$ 190	$ 316
Adjusted interest expense[2]	28,311	26,085
Adjusted amortization expense[2]	1,125	714
Adjusted income tax expense[2]	4,435	11,818
Adjusted EBITDA[2]	**$ 69,870**	**$ 115,309**

(1) Includes the estimate of the potential LTIP expense based on the fair value of assets within Investment Vehicles managed as required by IFRS.

(2) Non-IFRS measure; see further details in the following table, which describes reconciliation.

For the three months ended March 31 (in thousands of U.S. dollars)		2019	2018
Investment income – TAH per financial statements		**$ 43,553**	**$ 86,442**
Interest expense		20,623	18,469
Transaction costs, non-recurring and non-cash expenses		1,702	2,076
Tax recovery		(112)	(2)
TAH Adjusted EBITDA[1]	A	**$ 65,766**	**$ 106,985**
Investment income – TLR per financial statements		**$ 5,387**	**$ 1,017**
Interest expense		1,005	30
Translation adjustment		(1,397)	971
Transaction costs, non-recurring and non-cash expenses		1,530	5
Tax expense		–	43
TLR Adjusted EBITDA[1]	B	**$ 6,525**	**$ 2,066**
Investment income – THP per financial statements		**$ 2,227**	**$ 2,885**
Tax (recovery) expense		(70)	29
Unrealized foreign exchange (gain) loss		(146)	258
THP Adjusted EBITDA[1]	C	**$ 2,011**	**$ 3,172**
Net income from discontinued operations – TLC per financial statements		**$ –**	**$ 3,525**
Interest expense		–	797
Transaction costs and non-cash expenses		–	2,282
Tax expense		–	1,578
TLC Adjusted EBITDA[1]	D	**$ –**	**$ 8,182**
Contractual fees, GP distributions and performance fees per financial statements		**$ 7,489**	**$ 5,567**
NCI change per financial statements		(147)	258
NCI portion of amortization		(417)	(519)
Fee income net of adjusted non-controlling interest	E	**$ 6,925**	**$ 5,306**
Compensation expense per financial statements		**$ (8,699)**	**$ (9,723)**
Accrued LTIP (recovery) expense		(57)	1,329
Stock option expense		190	316
Adjusted compensation expense[1]	F	**$ (8,566)**	**$ (8,078)**
Interest expense per financial statements		**$ (7,330)**	**$ (7,964)**
TAH interest expense		(20,623)	(18,469)
TLR interest expense		(1,005)	(30)
TLC interest expense		–	(797)
Debentures discount amortization		647	1,175
Adjusted interest expense[1]	G	**$ (28,311)**	**$ (26,085)**
Amortization expense per financial statements		**$ (1,542)**	**$ (1,233)**
NCI portion of Johnson's amortization expense		417	519
Adjusted amortization expense[1]	H	**$ (1,125)**	**$ (714)**
Tax expense per financial statements		**$ (5,243)**	**$ (9,566)**
TAH tax recovery		112	2
TLR tax expense		–	(43)
THP tax recovery (expense)		70	(29)
TLC tax expense		–	(1,578)
Tax recovery (expense) on non-recurring and non-cash expenses		626	(604)
Adjusted income tax expense[1]	I	**$ (4,435)**	**$ (11,818)**

(1) Items A to I are first presented in the table in Section 6, above, and are non-IFRS measures. Refer to page 1 for a discussion of our use of non-IFRS measures.

8. OPERATIONAL KEY PERFORMANCE INDICATORS

8.1 Key performance indicators

The key performance indicators discussed throughout Section 4, above, for each of the Company's investment verticals are defined as follows:

Tricon American Homes

The Company reflects ongoing performance through investment income for TAH and reports changes in the underlying fair value of the investments through TAH fair value adjustment, which includes the fair value of properties calculated based on Broker Price Opinion and Home Price Index methodologies. However, the Company believes other information or metrics related to the net assets and operating results of TAH are relevant in evaluating the operating performance of the assets underlying its TAH investment.

- Net operating income (NOI) represents total rental revenue, less rental operating expenses and property management fees. NOI excludes overhead expenses such as general and administration expenses, professional fees (such as legal costs), as well as non-core income or expenses such as gains or losses on the disposition of homes.
- Net operating income (NOI) margin represents net operating income as a percentage of total revenue. Management believes NOI and NOI margin are helpful to investors in understanding the core performance of TAH's operations.
- Occupancy rate represents the number of homes in the portfolio that are leased at period-end, including those pending move-in with signed lease agreements, as a percentage of total rental homes in the portfolio (total homes managed less homes held for sale).
- Stabilized occupancy represents the number of homes in the portfolio that are leased at period-end, including those pending move-in with signed lease agreements, as a percentage of total rental homes, and excludes vacant rental homes that are currently under renovation or within 60 days of completion of renovation.
- Annualized turnover rate during the period represents the number of move-outs divided by average rental homes (total homes managed less homes held for sale) in the period, annualized for a twelve-month period.
- Average monthly rent represents average expected monthly rent on all leased homes.
- Average rent growth during the period represents the average of all the rent growth achieved on lease renewals and new leases. Management believes occupancy and TAH's ability to increase rent directly affect investment income available to Tricon, Tricon's shareholders and third-party investors.
- Funds from operations ("FFO") represents investment income – TAH plus third-party investor interests, excluding fair value gains and other non-cash items such as deferred taxes, periodic non-cash accrual adjustments, depreciation and deferred financing costs. Core funds from operations ("Core FFO") represents FFO less transaction costs and non-recurring items. Management believes these metrics are helpful to investors in understanding TAH's business and comparing its performance to industry peers.

Tricon Lifestyle Rentals

Development yield represents the estimated stabilized net operating income of a property following its completion as a percentage of its estimated total development cost.

Tricon Housing Partners

Gross IRR represents an aggregate, annual, compounded, gross internal rate of return after taking into account the effects of investment-level debt financing. Similarly, gross ROI represents an aggregate return on investment after investment-level debt financing. Net IRRs and ROIs reflect all fees paid by investors. IRRs and ROIs are based in part on Tricon's projected cash flows for incomplete projects in its Investment Vehicles. Such figures are derived through a process where the developers for projects in Tricon's Investment Vehicles prepare for Tricon detailed quarterly and annual budgets and cash flow projections for all incomplete projects, which are based on current market information and local market knowledge and, upon receipt of such information, Tricon reviews the information and makes necessary adjustments based on its experience, including making provisions for necessary contingencies or allowances when appropriate. Management believes IRRs and ROIs are important measures in assessing the financial performance of its Investment Vehicles. Without such measures, investors may receive an incomplete overview of the financial performance of such Investment Vehicles. Investors are, however, cautioned that these measures are not appropriate for any other purpose.

8.2 Assets under management

Management believes that monitoring changes in the Company's AUM is key to evaluating trends in revenue. Principal investment AUM and Private Funds and Advisory AUM are the main drivers for investment income and fee income. Growth in AUM is driven by principal investments and capital commitments to our managed Investment Vehicles by private investors.

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:

ASSETS UNDER MANAGEMENT	
Principal Investments	
Tricon American Homes	• Fair value of investment properties and investment properties held for sale before projected future disposition fees plus unfunded commitment
Tricon Lifestyle Rentals	• Fair value of development/investment properties plus unfunded commitment
Tricon Housing Partners	• Fair value of invested capital plus unfunded commitment
Tricon Lifestyle Communities (disposed of on June 29, 2018)	• Fair value of assets including in-place leases and park assets
Private Funds and Advisory	
Commingled funds	• During the investment period, AUM = capital commitment • After the investment period, AUM = outstanding invested capital
Separate accounts/side-cars/ syndicated investments/ joint ventures	• TAH/TLR Canada – Outstanding invested capital and project-level funded debt plus unfunded commitment less return of capital • THP – Outstanding invested capital and unfunded commitment less return of capital

9. ACCOUNTING ESTIMATES AND POLICIES, CONTROLS AND PROCEDURES, AND RISK ANALYSIS

9.1 Revenue, investments and fair value determination

The following table summarizes the investment income and revenue earned from the Company's investments and activities.

TOTAL REVENUE AND INVESTMENT INCOME	
Revenue	
Contractual fees	• Asset management fees from managing third-party capital invested through private Investment Vehicles within TAH, TLR and THP • Development management and advisory fees from The Johnson Companies LP • Development management fees generated from TLR Canada projects
General partner distributions	• Distributions from managing third-party capital within the THP3 Canada commingled fund
Performance fees	• Performance fees from private Investment Vehicles
Investment income	
Investment income – TAH	• Realized rental income net of expenses from leasing single-family rental homes • Unrealized investment income from changes in the fair value of the single-family rental homes
Investment income – TLR	• Realized rental income net of expenses from leasing rental units within multi-family apartment/development projects • Unrealized investment income from changes in the fair value of the apartment/development projects
Investment income – THP	• Realized cash distributions and interest earned from investments and co-investments in for-sale housing private Investment Vehicles and direct investments into projects • Unrealized gains as a result of changes in the fair value of such investments based on expected cash flows
Investment income from discontinued operations – TLC	• Realized rental income net of expenses from leasing pads within manufactured housing communities • Unrealized investment income from changes in the fair value of the underlying properties • Realized investment income from the sale of the underlying properties

The Company manages third-party capital across its TAH, TLR and THP investments through private commingled funds, separate accounts, syndicated investments and joint ventures. Tricon manages capital on behalf of Canadian, American and international third-party institutional investors, including pension funds, sovereign wealth funds, insurance companies, endowments and foundations, as well as family offices and high net-worth accredited investors. Our objective in our Private Funds and Advisory business is to earn:

- Contractual fees, general partner distributions and performance fees from asset management of capital invested through private Investment Vehicles, including private commingled funds, separate accounts or joint ventures, side-cars and syndicated investments. Refer to Section 1.1 for a list of active investments.
- Development management and related advisory fees through Tricon's subsidiary, Johnson, a developer of master-planned communities. We view these fees as a means of enhancing returns from certain THP investments.
- Development management fees generated by TLR Canada projects. We view these fees as a means of enhancing returns from TLR Canada investments.

The Company also earns investment income through distributions and changes in the fair value of its investment verticals.

Tricon American Homes ("TAH")

Investment income is comprised of: (i) realized rental income net of expenses from leasing single-family rental homes; (ii) property management fees, acquisition fees and construction management fees from assets managed on behalf of third-party investors; and (iii) investment income from changes in the fair value of single-family rental homes. The fair value of TAH homes is based on the Broker Price Opinion ("BPO") methodology and supplemented by the Home Price Index ("HPI") methodology. TAH typically obtains a BPO for a home once every three years or when a home is included in a new debt facility. Once a BPO is obtained, the fair value of the home is adjusted using the HPI on a quarterly basis until it is replaced by a more recent BPO. Refer to Note 4 in the financial statements for specific details of these valuation methodologies.

Tricon Lifestyle Rentals ("TLR")

Investment income is comprised of realized rental income net of expenses from leasing multi-family units and investment income from changes in the fair value of the projects in which it invests. Fair value changes are based on the income approach, the direct comparison approach or the discounted cash flow methodology, depending on the stage of development and completion. For projects still in the development phase, and similar to THP (as described below), the discount rate is adjusted downwards as development and construction milestones are achieved and the project is de-risked under the discounted cash flow methodology. Refer to Note 4 in the financial statements for specific details of these valuation methodologies.

Tricon Housing Partners ("THP")

Investment income is earned from its share of the changes in the net asset value ("NAV") of each of the Investment Vehicles in which it invests. The NAV of a THP Investment Vehicle is based on the net amount advanced to the respective investment plus net earnings of one or more of the following types:

Investment income – Investment Vehicles make investments through both joint venture equity investments and participating debt investments. With respect to joint venture investments, investment income is comprised of realized cash distributions received from each project and unrealized gains as a result of changes in the fair value of the investment based on expected future net cash flows. Participating debt investments generate investment income comprised of interest earned at the stated rate of fixed interest, as well as unrealized fair value gains in respect of the "participating" or "contingent" portion of the loans, which is also valued based on the fair value of expected future cash flows (in excess of loan principal and accrued interest). Any amount of cash distribution received in excess of loan principal and accrued interest will be recognized as realized interest income.

Project-related fees – In the majority of its investments, an Investment Vehicle earns a combination of commitment/acquisition fees and asset management/loan maintenance fees from the respective project entity (e.g., a project-specific partnership entered into with the local developer). Commitment and acquisition fees are typically calculated on the basis of the Investment Vehicle's capital commitment and are payable upon closing of the investment. Asset management and loan maintenance fees are typically charged on the basis of the outstanding investment in a particular transaction at any given time and are typically paid quarterly over the life of the investment.

The reported fair value of the Company's THP investments is based on its ownership share of the net asset value in each Investment Vehicle in which it invests, and that is typically determined using a discounted cash flow ("DCF") methodology. The DCF analysis involves modelling developers' cash flows to determine the quantum and timing of project funding requirements and cash distributions to the Investment Vehicle. Estimates of developers' cash flows are based on detailed quarterly and annual budgets and are required to determine the Investment Vehicle's eventual returns on its investments and, for participating debt investments, may include contingent interest if the developers' projects generate returns that exceed the underlying contractual interest.

The developer may redeploy project cash flows into subsequent project phases and only distribute excess cash to the Investment Vehicle over the life of the project. In determining the discount rate to be utilized, the risks associated with entitlement, sales and construction are taken into account. Entitlement risk relates to the ability to obtain the entitlements necessary to develop the underlying project as underwritten. Sales risk correlates to the ability to generate the projected underwritten revenues and the time required to do so. Construction risk relates to determining the costs associated with developing the project and, if required, obtaining financing. Upon project entitlement, the discount rate used is the lower of 20% and the expected return for the project. Such discount rate is periodically updated to reflect the market conditions as well as stage of the development project. The initial discount rate is then reduced by 2.5% as each of the following development milestones is achieved: commencement of sales, commencement of construction, and achieving 75% of project sales. Therefore, the discount rate is generally reduced as the various risks are mitigated over time.

The Company's Valuation Committee evaluates other risk factors impacting each project, including market risks and risks relating specifically to the development partner, and may adjust the discount rate to reflect these additional risks if the Valuation Committee believes there is uncertainty that the project will generate the expected returns.

9.2 Accounting estimates and policies

The Company makes estimates and assumptions concerning the future that may differ from actual results. Refer to the notes to the annual consolidated financial statements for details on critical accounting estimates.

Effective January 1, 2019, the Company has adopted IFRIC Interpretation 23, Uncertainty over Income Tax Treatments (''IFRIC 23'') on a modified retrospective basis. IFRIC 23 clarifies how the requirements of IAS 12, Income Taxes, should be applied when there is uncertainty over income tax treatments. The adoption of IFRIC 23 did not have a significant impact on the Company's consolidated financial statements.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that are expected to have a material impact on the Company.

9.3 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 March 31, 2019. The CEO and CFO did not identify any material weaknesses in the Company's system of internal controls over financial reporting.

During the three months ended March 31, 2019, 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.

9.4 Transactions with related parties

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

Refer to the related party transactions and balances note in the condensed interim consolidated financial statements for further details.

9.5 Dividends

On May 6, 2019, the Board of Directors of the Company declared a dividend of seven cents per share in Canadian dollars payable on or after July 15, 2019 to shareholders of record on June 30, 2019.

9.6 Compensation incentive plan

The Company's annual compensation incentive plans include an annual incentive plan ("AIP") and a long-term incentive plan ("LTIP").

The Company's AIP provides for an aggregate bonus pool based on the sum of all employees' individual AIP targets, which are market-benchmarked. This pool is then subject to an adjustment factor, subject to the Board's discretion, of between 50% and 150%, based on achievement of Company performance objectives determined by the Board at the beginning of each year. The final pool is then allocated among employees based on individual and collective performance. AIP awards will be made in cash and equity-based grants, with the proportion of equity-based awards being correlated to the seniority of an individual's role within the Company.

LTIP expense is generated from two sources: (i) 50% of the Company's share of performance fees or carried interest from Investment Vehicles, paid in cash when received; and (ii) 15% of THP1 US investment income, payable in DSUs which vest over a five-year period. On May 6, 2019, in order to more closely align the vesting period with the expected remaining life of THP1 US, the LTIP was amended by the Board of Directors to reduce the vesting period applicable to future LTIP DSU awards to three years.

Complete details concerning the Company's compensation plans are set out in the Company's most recent Management Information Circular, available on SEDAR at www.sedar.com and on the Company's website at www.triconcapital.com.

9.7 Risk definition and management

There are certain risks inherent in the Company's activities and those of its investees which may impact the Company's performance, the value of its investments and the value of its securities. The Company's Annual Information Form dated February 25, 2019 and its MD&A for the year ended December 31, 2018, which are available on SEDAR at www.sedar.com and on the Company's website at www.triconcapital.com, contain detailed discussions of these risks.

10. HISTORICAL FINANCIAL INFORMATION

The following table shows selected IFRS measures for the past eight quarters.

For the three months ended (in thousands of U.S. dollars, except per share amounts which are in U.S. dollars)	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Financial statement results				
Total revenue and investment income from continuing operations	$ 58,656	$ 60,320	$ 65,889	$ 54,014
Investment income from discontinued operations and gain from disposal of investments held for sale	–	–	–	19,602
Net income	24,063	43,297	33,826	39,763
Basic earnings per share	0.17	0.30	0.25	0.29
Diluted earnings per share	0.16	0.23	0.24	0.29

For the three months ended (in thousands of U.S. dollars, except per share amounts which are in U.S. dollars)	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Financial statement results				
Total revenue and investment income from continuing operations	$ 95,911	$ 60,226	$ 69,408	$ 13,820
Total investment income from discontinued operations	1,568	1,187	2,262	1,613
Net income (loss)	99,469	25,724	57,512	(21,643)
Basic earnings (loss) per share	0.74	0.19	0.43	(0.17)
Diluted earnings (loss) per share	0.46	0.19	0.29	(0.17)

CELEBRATING **30 YEARS**

7 St. Thomas Street, Suite 801 Toronto, Ontario M5S 2B7
T 416 925 7228 **F** 416 925 7964   www.triconcapital.com