



ITEM 1. COVER PAGE

**Tricon Capital GP Inc.
Investment Adviser Brochure**

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March 28, 2024

Form ADV Part 2A

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Tricon Capital GP Inc. (along with Tricon USA Inc., a relying adviser, “the Company”; references to “we”, “us”, and “our” in this Brochure are to the Company), a registered investment adviser and a wholly-owned subsidiary of Tricon Residential Inc., a publicly-traded company on the Toronto Stock Exchange and the New York Stock Exchange (TSX: TCN; NYSE: TCN) (together with its affiliates, including the Company, “Tricon”).

If you have any questions about the contents of this Brochure, please contact us at 416-323-2482. The information in this Brochure has not been approved or verified by the United States Securities Exchange Commission (“SEC”) or by any state securities authority.

Registration with the SEC does not imply a certain level of skill or training.

Additional information about the Company is also available on the SEC’s website at www.adviserinfo.sec.gov by searching CRD#160558.



ITEM 2. MATERIAL CHANGES

The following material business change(s) since the Brochure's last annual update on March 30, 2023:

- Item 2: Updated to reflect the proposed acquisition of all outstanding common shares of Tricon by Blackstone Real Estate Partners X and Blackstone Real Estate Income Trust, Inc. (together, "Blackstone").

Our Brochure may be requested by calling us at the number listed on the cover page or www.adviserinfo.sec.gov. All recipients are encouraged to read this Brochure carefully and in its entirety.



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ITEM 4. ADVISORY BUSINESS

The Company is a wholly-owned subsidiary of Tricon, a publicly-traded company listed on the Toronto Stock Exchange and the New York Stock Exchange. The Company is headquartered in Toronto, Canada with an office in San Francisco.

On January 19, 2024, Tricon announced that it had entered into an arrangement agreement (the “Arrangement Agreement”) under which Blackstone will acquire all outstanding common shares of Tricon (“Common Shares”) for \$11.25 per Common Share in cash (the “Transaction”). Completion of the Transaction remains subject to various conditions. Subject to and upon completion of the Transaction, the Common Shares will no longer be listed on the NYSE or TSX. Tricon will remain headquartered in Toronto, Ontario and the Tricon affiliates which serve as the general partner of, and manage, our Clients (defined below) will continue to do so pursuant to the terms of each Client’s governing documents following the completion of the Transaction.

The Company’s Advisory Business consists of providing discretionary investment advisory services to its clients, which are the private commingled funds (“Clients”) that invest in North American for-sale housing projects. Our private fund investors include plan sponsors, institutions, endowments, foundations and high net worth investors who seek exposure to the residential industry. The Company provides investment advice to the funds, consistent with any restrictions and objectives outlined in the offering documents for such funds, and not to the underlying investors in each fund.

Since its founding in 1988, the Company has raised 12 private commingled funds (which number excludes parallel funds within any given fund structure). Our first four funds were focused on the North American market (Canada and the United States), but beginning in January 2000, we began to focus each new fund specifically on either the U.S. or Canadian market. Since this time, we have raised eight funds (again, excluding parallel funds). In addition, Tricon’s other third-party investment vehicles include real estate and joint ventures. These investment vehicles are not considered Clients and are outside of our “Advisory Business”. Accordingly, they are not considered in this Brochure.

Separately from the Company’s Advisory Business, Tricon Residential Inc. is a rental housing company catering to the middle-market demographic throughout the United States and Canada. Tricon owns and manages approximately 38,000 single-family rental homes in the U.S. Sun Belt and multi-family apartments in Canada through an integrated technology-enabled operating platform, and has primary offices in Toronto (Ontario), Orange County (California), and San Francisco (California). The Company’s Clients are invested exclusively in Tricon’s legacy business of investing in for-sale housing assets.



Our funds make investments by providing equity or equity-type financing to experienced local or regional developers and builders primarily in the United States. These development partners or operators acquire, develop, and/or construct primarily residential projects including single-family and multi-family land development, condominium development, homebuilding, multi-family construction, and ancillary commercial development related to a housing project. These projects typically require anywhere from \$10 to \$150 million of equity capital and generally take three to eight years to complete. Since each underlying business plan entails the sale of finished lots or super pads to public or regional homebuilders or homes to consumers, the investments are generally expected to naturally liquidate over time.

The Company generally focuses on the following investment products: (i) land development and housing projects including suburban subdivisions, in-fill housing, condominiums and multi-family development, and (ii) longer term investments in master planned communities, including active adult communities.

We view for-sale housing development as a three-step process that generally includes (i) rezoning and entitlement activity; (ii) installation of horizontal infrastructure, namely roads and utilities; and (iii) vertical construction of single-family and multi-family dwellings. In order to mitigate risk, our preference is to generally invest in the second and third phase.

We currently manage investments for our Clients in five major markets across the United States (Northern and Southern California; Phoenix, Arizona; Charlotte, North Carolina; Reno, Nevada) and two major markets in Canada (Calgary and Edmonton). All of the Clients have been fully invested and are currently focused on the disposition of assets, which are generally self-liquidating, as described below, in Item 8. As of December 31, 2023, we managed on a discretionary basis approximately \$207,468,000 of regulatory assets under management on behalf of our Clients.

ITEM 5. FEES AND COMPENSATION

Our Advisory Business generates three main revenue streams for Tricon: Management Fees and General Partner Distributions (the latter of which are applicable only to Canadian funds), which are not contingent on the performance of the investment vehicle, and Performance Fees, described below. Investors should refer to the relevant fund's governing documents for a detailed description of the fees associated with investments in the funds.

Management Fees

Limited partnership interests in our funds are sold by way of private placement to accredited or otherwise eligible investors who become limited partners in the funds. During our funds' investment periods (typically three to four years), limited partners pay, via capital calls, Management Fees ranging typically from 1% to 2% of committed capital per annum depending on the size of their respective investment. Following completion of the investment period, these fees are typically calculated, at the same rates, on the outstanding invested capital. Management Fees decline over time as fund investments are realized. The Management Fees are payable monthly in advance and are collected directly by the Company from the funds.



General Partner Distributions (Canadian Funds Only)

General Partner Distributions are based on prescribed formulas within a Canadian fund's limited partnership agreement and are not contingent on the performance of the funds.

Performance Fees

If we achieve prescribed investment returns in the funds, the Company or its affiliates are entitled to earn Performance Fees.

Performance Fees are calculated based on prescribed formulas within a fund's contractual terms. These fees are earned following the repayment of investor capital and a predetermined rate of return and as a result are typically paid toward the end of a fund/investment's term. Performance Fees are typically calculated as 20% of net cash flow and are paid after investors' capital has been returned, together with a preferred return on capital of, typically, 9% to 10%.

The Performance Fee formula may also contain a "catch-up" provision that enables the Company or affiliate to earn a higher percentage of net cash flow as a Performance Fee until the ratio of the investor return (preferred return plus its share of net cash flow) to Performance Fees paid is 80/20.

Given that Performance Fees are only earned once a fund's limited partners have received the return of their committed capital plus a preferred return, our Performance Fees are back-ended and are typically only earned six to eight years after the commencement of a fund and only if the funds achieve their prescribed investment returns.

Other Fees and Expenses

The funds pay, and the investors in those funds indirectly bear, all reasonable costs and expenses of the funds' operations as further detailed in each fund's governing documents including, but not limited to:

- out-of-pocket expenses, including travel, meals and entertainment expenses incurred in connection with the identification, making, holding, sale or proposed sale of any investment, including any expenses associated with proposed investments that are ultimately not made by the funds;
- routine expenses of the funds, including legal, auditing, consulting and financing fees and expenses associated with the funds' financial statements and tax returns, insurance expense and other administrative expenses (including regulatory filings) of the funds;
- engineering, surveying, entitlement, brokerage, market research, title, consulting, appraisal, valuation, property management, development, loan servicing, collateral management, evaluation, inspection and due diligence of or for potential investments;



- origination, acquisition, ownership, maintenance, servicing, management, operation, use, lease, entitlement, preservation, enhancement, improvement, development, financing, valuation, marketing, or sale or other disposition of any investment;
- litigation-related and indemnification expenses; and
- organizational costs (which may include the types of expenses set forth above) up to a certain dollar amount.

Certain funds earn transaction fees, including commitment fees and asset management/supervision fees, for making investments. These fees will be applied directly to the applicable fund for the benefits of such fund investors.

As noted above in Item 4, our fund investments involve providing equity (or equity-type) financing to land developers and homebuilders. Those development partners will also generally be required to invest a certain portion of the capital needed to undertake the land or homebuilding project.

The development partners are responsible for completing the project in question and can, as a result of their services and investment in the project, receive compensation in the form of development management fees or incentive allocations if the project financial performance exceeds certain hurdles. This compensation is typically paid to the development partner by the underlying project, which is an indirect expense of the funds.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described above under “Fees and Compensation,” the Company or its affiliates receive performance fees based on the profit distributions to limited partners from the funds. Such arrangements may create an incentive for the Company to recommend investments which may be riskier or more speculative than those which would be recommended under a different arrangement. In addition, the payment of such performance fees by the funds at varying rates may create an incentive for the Company to disproportionately allocate time, services or functions to funds paying higher performance fees. The Company has sought to mitigate this risk by including claw-back provisions in the distribution structure.

Employees of the Company are paid in accordance with Tricon Residential Inc.’s general compensation program. This compensation includes an allocation to certain employees of 50% of the Performance Fees earned by the Company in the year. This share of Performance Fees is allocated among employees of the Company according to the relative contribution each has made to the relevant investment vehicle in question. Tricon’s compensation program also includes elements not directly related to the Company’s Advisory Business, but rather tied more generally to the financial performance of Tricon as a whole.



ITEM 7. TYPES OF CLIENTS

The Company and its affiliates provide discretionary investment advice to pooled investment vehicles organized as limited partnerships. The Company's minimum investment in its funds is generally \$5,000,000 for institutional investors and \$150,000 for high net worth individuals, which may be waived at the discretion of the Company. The funds are closed to new investors.

Investment advice is provided directly to the funds and not individually to its investors. Investors in the Funds may include, but are not limited to, high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, sovereign wealth funds, trusts, estates, endowments, foundations, and corporate or other business entities. Each investor is required to meet certain suitability qualifications, such as being an "Accredited Investor," "Qualified Client" and "Qualified Purchaser," as applicable, within the meaning set forth under the United States federal securities laws and in accordance with each fund's offering documents.

The Company, on behalf of its funds, has entered into "side letter" agreements with certain investors in specific funds that grant such investors additional rights, and may, without notice to other investors, enter into additional "side letter" or other agreements with other prospective or existing investors.

Terms of such side letters include or may include, among other things, greater portfolio transparency, special liquidity rights, fee waivers or adjustments, future capacity rights in the funds, membership on the Investor Advisory Committee, reduced minimum subscription amounts, additional rights to reports and other information and other more favorable investment terms than the standard terms that are described in the applicable fund's offering documents. The granting of preferred terms to certain investors is solely at the discretion of Company, and the funds shall have no obligation to offer such differing or additional rights, terms or conditions to all investors, absent a written agreement to the contrary.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

For a more detailed description of the matters discussed in this Item 8, our investors should refer to the Private Placement Memorandum and other offering documents for the fund in which they invest.

Method of Analysis, Investment Strategies

In our underwriting process for our funds' investments, only proposed development projects that met certain pre-conditions or criteria were considered, which included the following:

Nature of Underlying Real Estate: Our primary focus is on the residential real estate development industry, specifically residential land development, homebuilding, multi-family (primarily condominium) construction, and retail development done in conjunction with residential projects.



Our funds are typically prevented by the terms of their respective limited partnership agreements to invest more than 25% to 30% of the fund's capital in non-residential sectors, and there are also typically investment limits related to geographic concentration and exposure to any one developer.

Market Opportunity: We generally only consider development projects in markets with populations of at least one million. Each of the markets in which our active funds invest typically have, in management's judgment, solid underlying real estate fundamentals including strong job and population growth (in the long-term) and rising or stable rental rates, occupancy rates and asset prices. Generally, only markets with what we view to be significant upside potential in the short- to medium-term are considered.

Investment Size: We typically seek development projects that require commitments from our funds in the \$10 to \$30 million range. We also consider smaller or larger investments that, among other things, solidify a relationship with a key developer, obtain a foothold in a new sector or market, or offer above-target risk-adjusted returns.

Investment Period: In respect of any given development project, return of capital is typically sought within two to four years of the initial investment, with complete project build-out expected within three to eight years. Occasionally, we undertake longer-term transactions which have the potential to offer above-target risk-adjusted returns.

Returns and Underwriting Standards: Investments are generally made only in development projects that have sufficient margin on cost to absorb reasonable variations in the business plan.

Caliber of Developers: In selecting our funds' transactions, the reputation, integrity, experience and competence of the developer (or operating partner) is likely to be a primary determining factor in our underwriting process.

Financial Commitment of Developer: Investments are generally made by our funds only in development projects where the local developer has invested its own funds in the project.

The developer investment requirement is typically 10% or more of the total required capital above senior debt (if any); however, this amount varies between investments. Guarantees of the developer may also be required; the nature and the extent of the guarantee depend on the perceived risk.

Construction / Acquisition Financing: Since acquisition and/or construction financing for a particular development project is often required from third parties, investments are typically conditional upon strong indications from a financial institution that senior lending will be forthcoming. The financial institution and the terms of the senior lending must be acceptable to the Company. It is the responsibility of the developer to obtain acquisition and/or construction financing from a local bank.



Guarantees: Our funds may, where circumstances warrant or dictate, provide guarantees to senior lenders; in certain instances, the amount of the guarantee is considered part of the investment commitment provided to the developer/borrower and the underwritten returns for the project will be based on the total investment (including the amount of the guarantee).

Security/Control: Unless our funds acquire property for their own account or enter into a joint venture with a developer, wherever possible our funds' investment is secured by way of a mortgage on the underlying real estate and/or a pledge of ownership interests in the borrowing entity.

We take an active role in monitoring and managing each project our funds invest in, typically through approval rights contained in our contractual agreements.

Due Diligence: Investments are subject to extensive due diligence reviews, generally including in-depth developer reference checks, environmental audits, market analysis, site analysis, financial and construction cost analysis and legal review.

Approval: All investments must be approved by an internal investment committee. Certain investments must be approved by an investor advisory committee consisting of representatives of the major investors in a fund.

Our Monitoring Process

The Company takes a very hands-on approach to asset management. Key aspects of the Company's asset management process include:

(i) the use of a dynamic organizational structure in which our professionals, with the support of project-dedicated financial analysts, manage projects through to completion under the guidance of senior management; (ii) a formalized risk advisory and asset tracking program; (iii) the use of specialized investment tracking software; and (iv) a standardized reporting and capital draw process.

Given that land development is a dynamic and constantly evolving process, we have made the conscious decision not to employ separate investment and asset management staff. Instead, with the support of dedicated financial analysts and real estate professionals, the senior professional who sources and underwrites a particular transaction is typically responsible for monitoring the project and seeing it through to completion.

In this way, the knowledge that is accumulated during the development process is retained and reporting relationships throughout a project's life are maintained, thereby eliminating the potential information loss that can occur when a project is transitioned from one department to another. We believe this process also helps us build strong and long-lasting relationships with our developers.



As a part of our monitoring role, we have a significant amount of input with respect to a development project, whether through contractual rights or, more informally, through our collegial relations with our developer borrowers/partners. For example, for any particular real estate development project, we typically approve or have input with respect to:

- plans and specifications;
- business plan and project budget;
- selection and/or replacement of the construction manager, the development manager and the marketing team for the project, and the terms and conditions of their respective employment or engagement contracts;
- selection and approval of other consultants, professional advisors, contractors and major subcontractors, and the terms and conditions of their employment or engagement;
- terms and conditions of any financing for the project;
- terms and conditions on which lots or residential units are to be offered for sale;
- terms and conditions of any development, financial or other similar agreements to be entered into with governmental authorities;
- sale of the project;
- any non-arm's length or material arm's length contracts; and
- timing of the project, both from a marketing and a construction commencement perspective.

In addition, our senior management team communicates with our developers on an ongoing basis and typically visits or tours a project every one or two months.

The developers are required to provide us with weekly sales reports, monthly financing reports (typically in conjunction with capital requests) and quarterly project updates which address milestones, budget, planning, sales, finance and construction. When budgets or cash flows are revised, project-dedicated analysts in conjunction with our accounting department update the contribution and distribution schedule in our tracking software so that we have an up-to-date projection of a transaction's current and projected return.

The senior professional who is responsible for a transaction typically sits on the respective project's "monitoring committee" and is involved with the major decisions described above. We believe the active involvement of our knowledgeable and experienced professionals adds value to the development projects, and provides a valuable resource for our developers. The senior professional keeps our senior management team apprised of the project's progress and seeks its guidance related to major decisions at weekly meetings.



Each transaction is assessed by senior management and given a risk rating based on its projected return and criteria related to milestones and other business plan objectives. Oversight for transactions that receive elevated or high risk ratings is increased.

Our Disposition Process

Our funds currently invest in development projects that take three to eight years to complete. However, unlike investments in commercial property for which holding periods and disposition strategies need to be evaluated, residential “for-sale” real estate has a built-in exit strategy as investments automatically liquidate once the final product of units, houses or lots are sold.

While we continuously monitor a project’s sales performance and have input into any pricing changes made from time to time to obtain the appropriate balance between maximizing profits and returns, we do not implement a formal disposition process given the self-liquidating nature of our investments.

Risk Factors

There are certain risks inherent in the Company’s activities and the funds’ investments, including the ones described below.

The risks described below may not be the only ones facing the Company. Additional risks not currently known to us or that we currently deem immaterial may also impair our business operations. Investing in the funds involves substantial risks, including the risk of total loss of capital. Investing in the funds is only suitable for sophisticated investors who fully understand and are capable of bearing the risks of an investment. There can be no assurance that the funds will be able to achieve their investment objectives or that investors will receive any return of capital. The Company utilizes the method of analysis and investment strategies described in the governing documents of the relevant fund. The information contained herein is a summary only. Investors should refer to the governing documents for a complete overview of the Company’s method of analysis and strategies as well as risk factors.

General Economic Conditions

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

Unpredictable or unstable market conditions and adverse economic conditions may make it more difficult for our funds to exit and realize value from their existing real estate investments.



Real Estate Industry Conditions

The residential real estate development industry is cyclical and is significantly affected by changes in general and local economic and industry conditions, such as consumer confidence, employment levels, availability of financing for homebuyers and interest rates, availability and terms of senior financing, levels of new and existing homes for sale, demographic trends and housing demand.

The development projects in which we invest also have lengthy project completion timelines. Typically, investments are made in development projects that take three to eight years to complete.

These extended timelines present the possibility that markets will deteriorate between the time of our initial investment and the return of capital or project completion which could have an adverse effect on our business, financial condition or results of operation.

Competition from rental properties and resale homes, including homes held for sale by investors and foreclosed homes, may reduce a developer's ability to sell new homes, depress prices and reduce margins for the sale of new homes. Homebuilders are also subject to risks related to the availability of materials and cost overruns. Furthermore, the market value of undeveloped land, buildable lots and housing inventories can fluctuate significantly as a result of changing economic and real estate market conditions.

If there are significant adverse changes in economic or real estate market conditions, the developers in whose projects our funds invest may have to sell homes at a loss or hold land in inventory longer than planned. Inventory carrying costs can be significant and can result in losses in a poorly performing project or market.

Rising interest rates, decreased availability of mortgage financing or of certain mortgage programs, higher down payment requirements or increased monthly mortgage costs could adversely affect housing demand and the ability of projects and properties we invest in to sell or resell homes and the price at which they can sell them, which could materially adversely impact the investments made in such projects.

Operational and Credit Risks

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



We rely to a great extent on our developer partners to successfully manage the development projects in which we invest.

Investments in partnerships, joint ventures or other entities may involve risks not present were a third party not involved, including the possibility that our development partners or co-venturers might become bankrupt or otherwise fail to fund their share of required capital contributions.

Additionally, our partners or co-venturers might at any time have economic or other business interests or goals which are inconsistent with our business interests or goals.

In addition, we do not have sole control of certain important decisions relating to these development properties, including decisions relating to: the sale of the development properties; refinancing; timing and amount of distributions of cash from such development properties; and capital improvements.

Transaction Execution

Before making residential real estate development investments, including the selection of developers, we conduct extensive due diligence reviews that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Our due diligence process includes in-depth reference checks of developers, environmental audits, market analysis, site analysis, financial and construction cost analysis and legal review. When conducting due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues.

Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, we rely on the resources available to us, including information provided by the developer and, in some circumstances, third-party investigations. The due diligence investigation that we will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Liquidity Risk

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



Environmental Risk

The development properties and developers in which our funds invest are subject to various Canadian and United States federal, provincial, state and municipal laws relating to environmental matters. These laws could hold the developers or property owners liable for the costs of removal and remediation of certain hazardous substances or wastes released or deposited on or in our development properties or disposed of at other locations.

The failure to remove or remediate such substances, if any, could adversely affect the developer's ability to sell the development properties or to borrow using real estate as collateral, and could potentially result in claims or other proceedings against the developer. Environmental laws and regulations can change rapidly and the developers may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on a developer or a particular development project, which, in turn, could have an adverse effect on our investments in such projects.

Cybersecurity Risk

The Company, the funds, the general partners, service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a fund and its investors, despite the efforts of the Company and service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to such fund and its investors.

For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Company, a fund's general partner, a fund's service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of our systems to disclose sensitive information in order to gain access to our data or that of a fund's investors. A successful penetration or circumvention of the security of our systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs.

Such incidents could cause a fund, the Company or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.



Disease Outbreak Risks

A local, regional, national or international outbreak of a contagious disease, including the current COVID-19 pandemic, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu, or any other similar illness could result in: a general or acute decline in economic activity in the regions the Company and its funds hold assets and conduct business, a decrease in the willingness or ability of the general population to travel, staff and labor shortages, diversion of management attention, reduced customer traffic and demand, mobility restrictions and other quarantine measures, supply shortages, increased government regulation (including regulations impacting property development and land use), and the quarantine or contamination of one or more of the Company's or its fund's properties.

These and other related consequences could negatively impact: revenue, the ability to enforce contracts, for-sale housing prices, property values, bad debt expense, liquidity, development timelines, project cash flows, compliance with debt covenants and default risk, and the Company's ability to achieve financial and strategic goals and targets. In addition, the Company's response to such a crisis may be made in the context of economic and epidemiological uncertainty and changing legal regulations which may increase the risk of legal or regulatory liability to the Company or its funds.

Climate Change Risks

To the extent that significant changes in the climate occur in areas where our properties are located, increasingly extreme weather, changes in precipitation, flooding, wildfires, hurricanes and rising temperatures in those areas may result in physical damage to, or a decrease in demand for, properties located in those areas or affected by those conditions. Should the impact of climate change be material in nature, including significant property damage to or destruction of our properties, or occur for lengthy periods of time, our financial condition and performance may be adversely affected. Climate change, to the extent it causes changes in weather patterns, could also increase the cost of property insurance and utilities at our properties and impact demographic trends in ways that result in decreased demand for our properties. In addition, changes in federal, provincial, state and local laws based on concerns about climate change could result in reduced operational flexibility and/or increased expenses on our existing properties (for example, to improve their energy efficiency and/or resistance to inclement weather or to reduce their carbon footprint) without a corresponding increase in revenue, which could adversely affect fund performance.

ITEM 9. DISCIPLINARY INFORMATION

Tricon and its employees have not been involved in any legal or disciplinary events that would be material to a Client's evaluation of the Company or its personnel.



ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As noted in Item 4, the Company is a wholly-owned subsidiary of Tricon. Please refer to Item 4 for a discussion of Tricon's businesses, which include the Advisory Business of the Company.

Tricon USA Inc., an indirect subsidiary of Tricon and a relying investment adviser to the Company, serves as manager to certain of the funds: Tri Continental Capital VII, L.P., Tricon Housing Partners US LP, Tricon Housing Partners US II A LP, Tricon Housing Partners US II B LP, and Tricon Housing Partners US II B-2 LP. Principal officers of the Company are also principal officers of the general partners of the funds and of Tricon USA. Tricon USA has been retained by the funds to be responsible for the management of funds' assets.

Tricon indirectly holds a majority interest in The Johnson Companies LP ("Johnson"), a Houston-based development manager of master-planned communities in the United States. Although none of our Clients has invested in a project managed by Johnson, Tricon has a number of joint-venture and individual investments in Johnson projects.

ITEM 11. CODE OF BUSINESS CONDUCT, FIDELITY AND ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Company has adopted a written Code of Business Conduct, Fidelity and Ethics (the "Code") that is applicable to all employees.

The Code requires all employees to abide by all applicable regulations and provides strict guidance on insider trading, and includes compliance with applicable securities laws and other legal requirements, as well as recognition of the fiduciary relationship of the Company to the funds it manages. If any employee become aware of any violation of the Code, they must report such violation to the Chief Compliance Officer (the "CCO").

A copy of the Code is available upon request. Requests for copies of the Code should be directed to the CCO at the address or telephone number shown on the cover page of this Brochure.

The Company has adopted a policy that addresses personal securities trading by "Access Persons".

The Company's Access Person must have written pre-clearance from the CCO for all transactions before transacting in the following:

- (i) IPOs
- (ii) Private Placements



All employees must also obtain written pre-clearance from the CCO before trading in securities issued by Tricon.

Co-Investments

The Company or its affiliates and principals will generally have a material investment in the funds, either through a related entity, the general partner or as a limited partner. The foregoing relationships, fees and any other actual or potential conflicts are disclosed in each fund's governing documents.

In all cases, allocation of co-investment opportunities will be subject to the provisions of the governing documents of the relevant fund.

The CCO and fund Investment Committee will review all instances in which part of a fund's investment opportunity is to be offered to the co-investors. In conducting such a review, the CCO will consider actual and apparent conflicts of interest, and will ensure that the Company is acting in good faith in accordance with all applicable representations to Clients and investors.

ITEM 12. BROKERAGE PRACTICES

Neither the Company nor its affiliates are involved in the purchase of securities other than the temporary investment of excess cash, and therefore has no active relationships with securities brokers-dealers. As the Company is not actively involved in making investments in traded securities, it does not receive research, have any soft dollar practices and otherwise has no active referral or other relationships with broker-dealers.

The Company currently manages a number of investment vehicles that are fully invested so there is generally not an opportunity to allocate investment opportunities among the funds. To the extent that more than one fund is active at the same time and an investment opportunity is suitable for multiple active funds, the Investment Committee will seek to allocate the opportunity in a manner that is fair to all Clients and is in accordance with the governing documents of the funds.

Principal or Cross Transactions

The Company generally does not cause the funds to engage in any principal or cross transactions. In the event that it does so, the Company will first consider and determine that the transaction is in the best interests of both participating funds and consistent with their governing documents. The Company will also obtain consent from the affected funds' investor advisory committees or limited partners prior to engaging in any such principal or cross transactions, to the extent deemed necessary or appropriate.



ITEM 13. REVIEW OF ACCOUNTS

The funds' Investment Committee meets as required to review all prospective investments and material events regarding existing investments. In addition, the Company's Valuation Committee approves the valuation of each of the funds' investments on a quarterly basis. Furthermore, the Company's investment team meets regularly to discuss active investments, and at least monthly with the accounting team.

This continuous monitoring, under the purview of the Company's Chief Financial Officer, CCO, and Chief Executive Officer, of all fund investments on an ongoing basis is intended to ensure, in part, that all fund portfolios are in compliance with the applicable governing documents.

The Company provides Investors in the funds with written quarterly management reports and financial statements on-line, and certain investors may receive additional reporting upon request.

Annual audited financial statements are provided within 120 days following the end of the fiscal year.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

The Company does not pay a portion of its advisory fees to any investment adviser or any other person in connection with the referral of Clients.

ITEM 15. CUSTODY

The Company, as manager of a fund, has custody of the cash and securities, if any, in such fund for limited periods. Accounts over which the Company has such a relationship are audited on an annual basis. Audited financial statements are provided to the limited partners within 120 days of the end of the fiscal year.

ITEM 16. INVESTMENT DISCRETION

The Company has investment discretion for all funds within the parameters outlined in each fund's governing documents. Any investments falling outside such agreement must be presented to the fund's investor advisory committee for approval.

ITEM 17. VOTING CLIENT SECURITIES

Not applicable.



ITEM 18. FINANCIAL INFORMATION

The Company has been and expects to continue to be solvent. On occasion temporary cash timing constraints are encountered which require the support of its parent company, Tricon Residential Inc. If any event occurs which impairs the Company's ability to meet its obligations, then we will promptly notify our investors.