

R O M S P E N



mortgage investment fund



Annual General Meeting

June 1, 2011

Introductory Remarks

Sheldon Esbin

Managing General Partner

Formal Business

Sheldon Esbin

Managing General Partner

2010 Review & 2011 Outlook/Q1

Mark Hilson

Managing General Partner

Issues/Opportunities

Wesley Roitman

Managing General Partner



Safe Harbour

This presentation contains forward-looking statements related to our future growth, and our financial and operational results and performance that are based on current expectations, forecasts and assumptions involving risks and uncertainties that could cause actual outcomes and results to differ materially. These risks and uncertainties include, but are not limited to: variability of operating results among periods, which include: the pace, size and nature of mortgage investments, repayments and other realization events, the volatility of interest rates; changes in the market value of commercial real estate in Canada; and other activities and events within our business. These and other risks and uncertainties and factors are discussed in the Fund's various filings available on the Fund website, www.romspen.com.



Formal Business

Sheldon Esbin
Managing General Partner



Mark Hilson
Managing General Partner

2010 Review



2010 Highlights

A solid year

- Distributions → \$0.84/unit to yield net 8.7% compounded return
- Relative performance → solid performance
- Mortgage portfolio → up 9% to \$519 million
- Portfolio interest rate → moderated from 12.2% to 11.5%
- Investor capital → continued inflows, institutional interest
- Losses on disposed properties → absorbed by loss reserve
- Fund leverage → reduced to zero

Key Financial Metrics

Strong net income



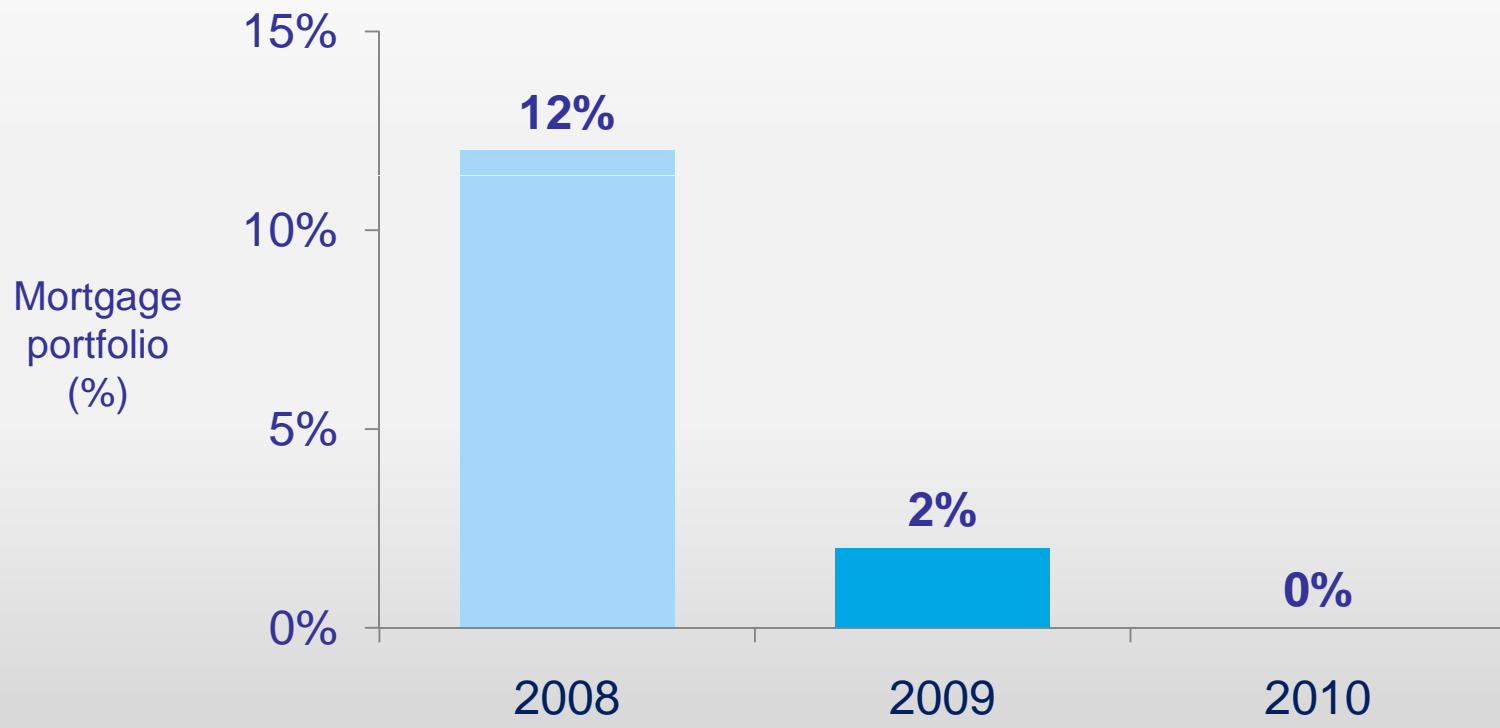
Key Financial Metrics

Steady portfolio



Key Financial Metrics

Significantly reduced leverage



Key Financial Metrics

Stable unit value



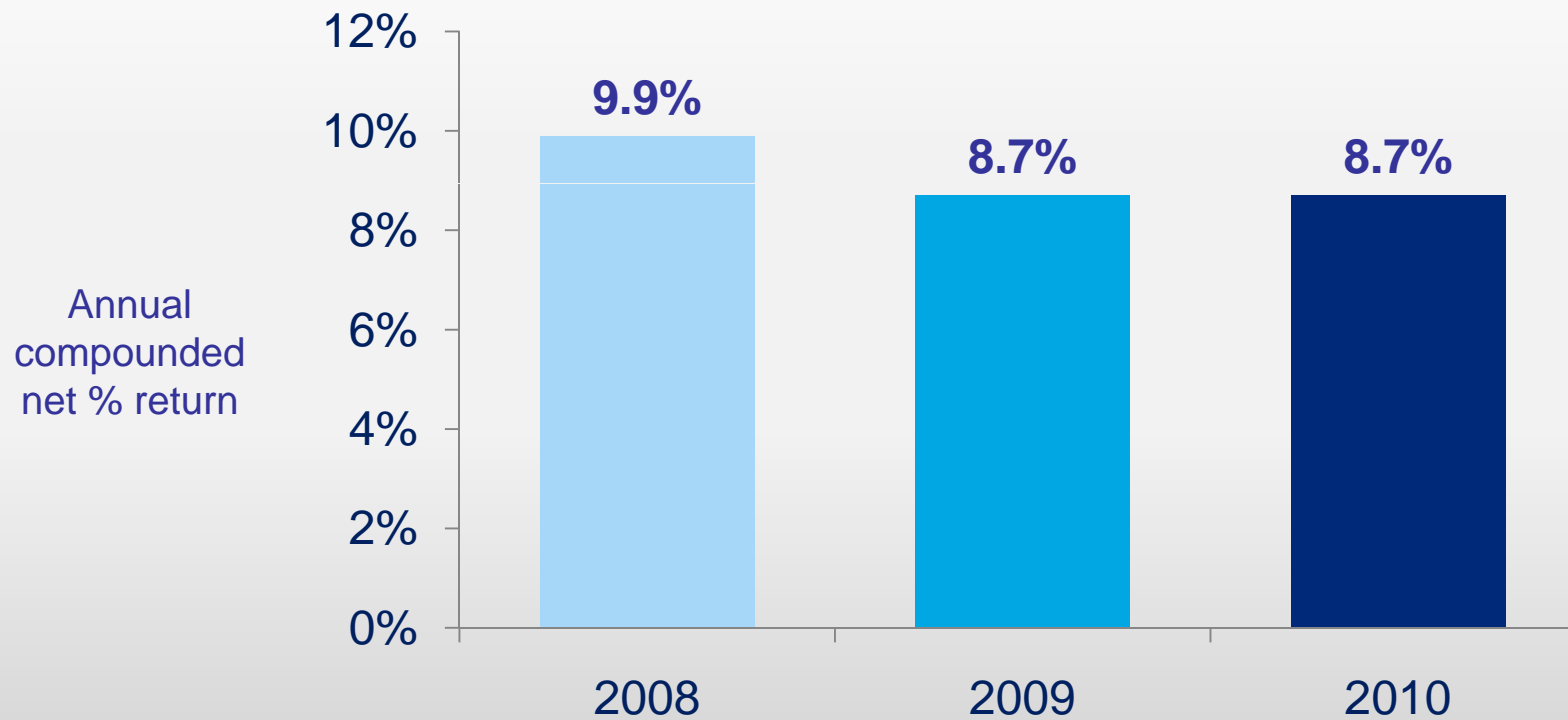
Key Financial Metrics

Stable distributions



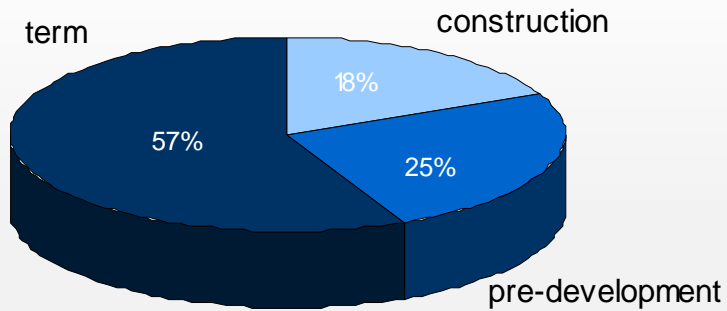
Key Financial Metrics

Strong consistent returns

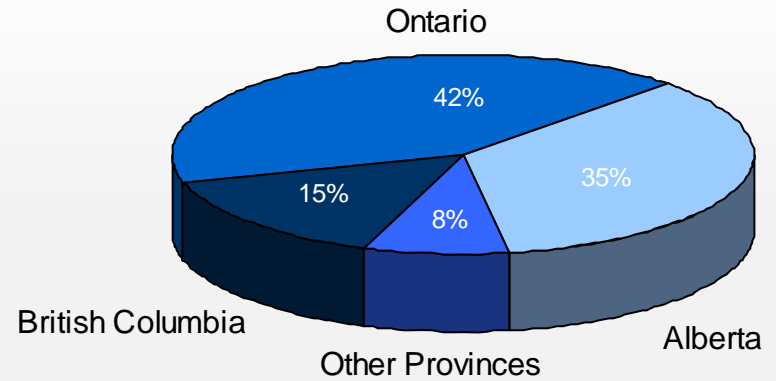


Portfolio Remains Well Diversified

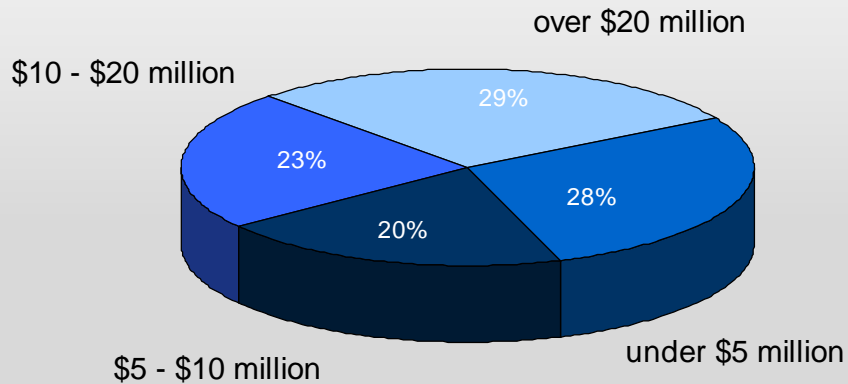
By Type



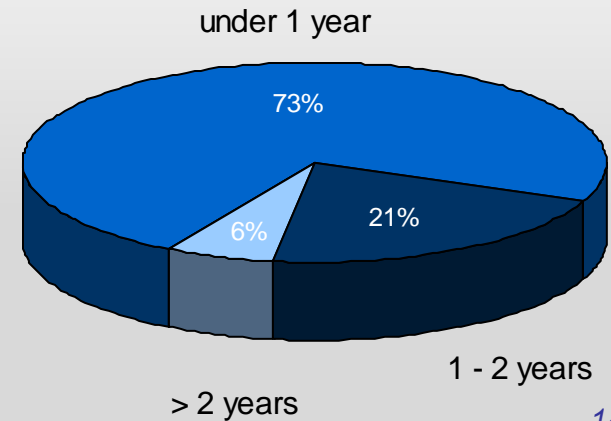
By Geography



By Amount



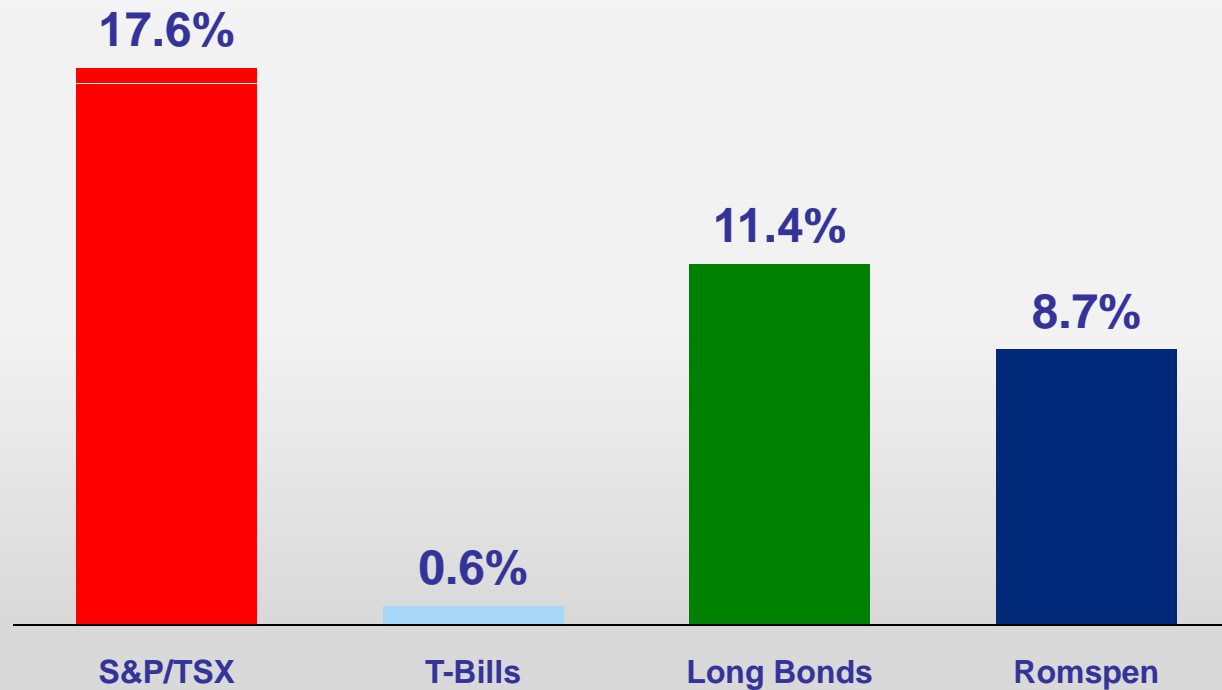
By Maturity



Source: Romspen Audited Financial Statements

2010 Comparative Performance

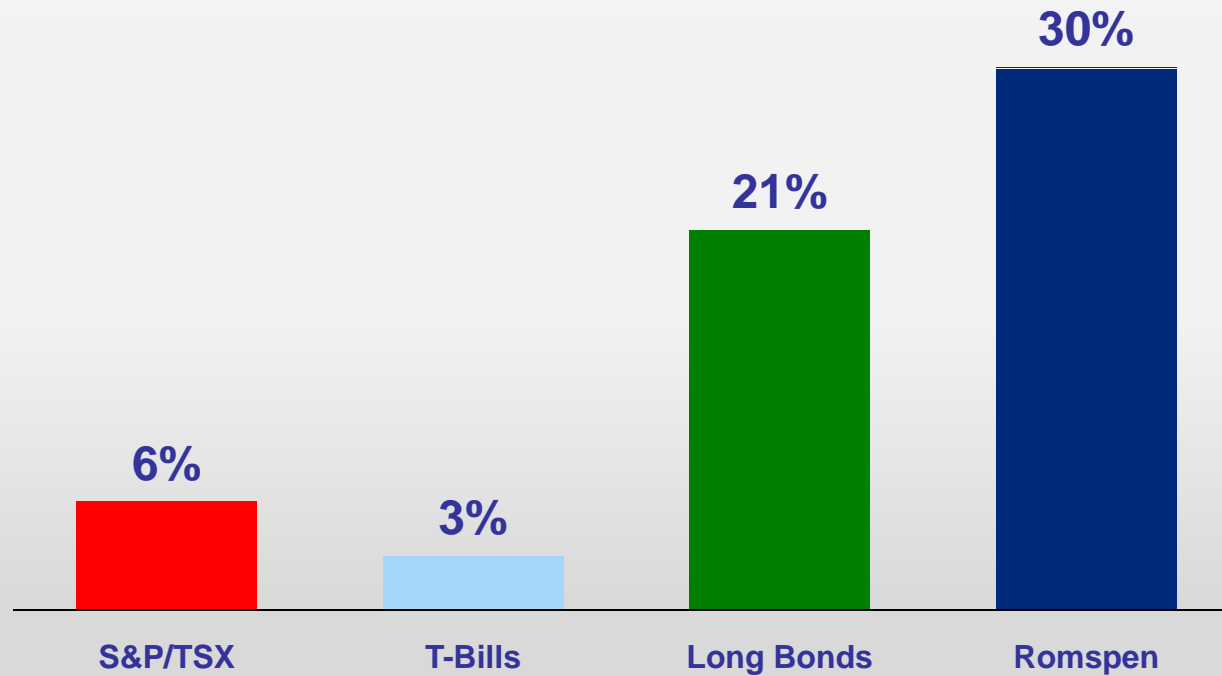
2010 results were solid but others outperformed



Source: Bank of Canada, Romspen Audited Financial Statements
Note: Romspen returns are net, comparative returns are gross.

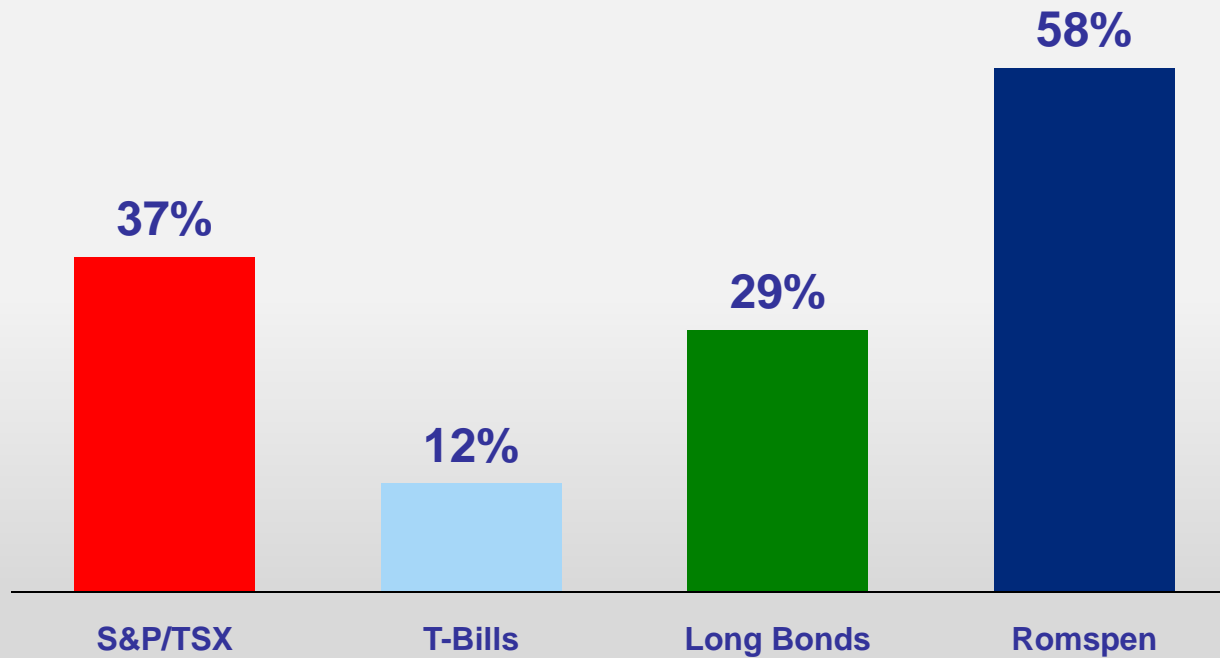
3-Year Performance

Romspen outperforms major benchmarks



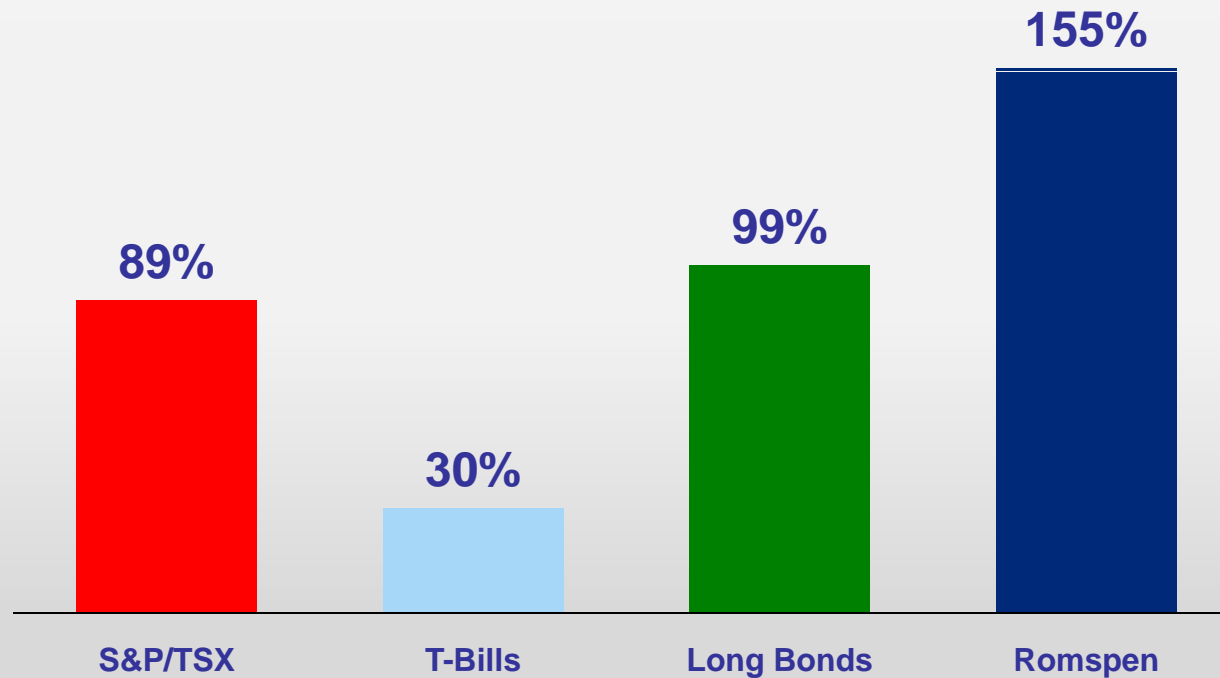
Source: Bank of Canada, Romspen Audited Financial Statements
Note: Romspen returns are net, comparative returns are gross.

Romspen outperforms major benchmarks



Source: Bank of Canada, Romspen Audited Financial Statements, PriceWaterhouse Coopers Report
Note: Romspen returns are net, comparative returns are gross.

Romspen outperforms major benchmarks

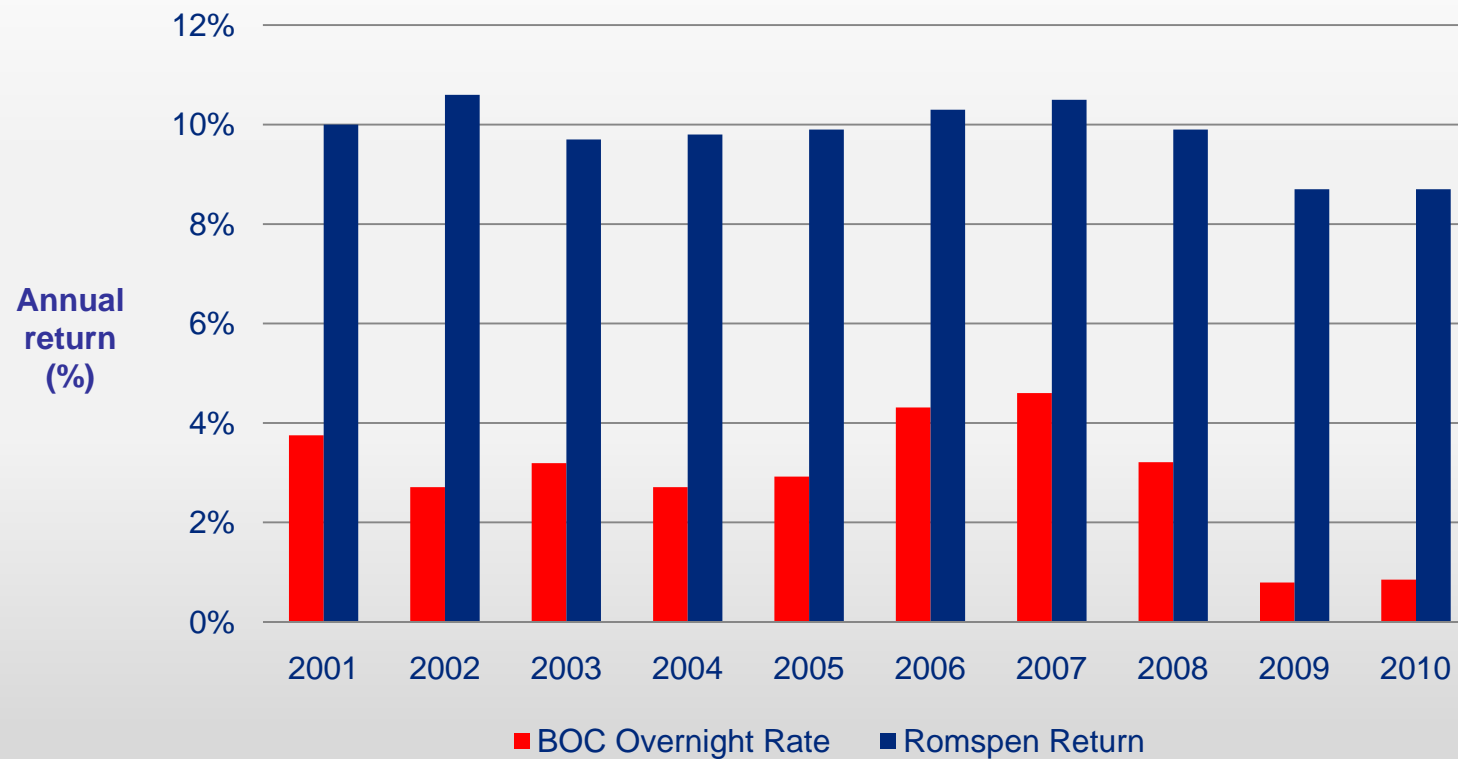


Source: Bank of Canada, Romspen Audited Financial Statements, PriceWaterhouse Coopers Report
Note: Romspen returns are net, comparative returns are gross.

2011 Outlook/Q1 Performance

- Anemic economy – slow growth, volatility
 - withdrawal of fiscal stimulus
 - sovereign credit risks
 - high unemployment
 - financial system still under stress, slowly recovering
 - credit quality remains under pressure
- Declining rate environment in our segment of the market
- More new projects
- Strong credit demand
- Refinancing environment continues to improve

Lower rates, widening spread

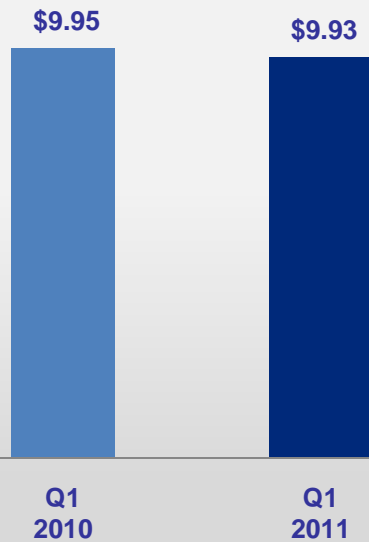


Source: Bank of Canada, Romspen Audited Financial Statements
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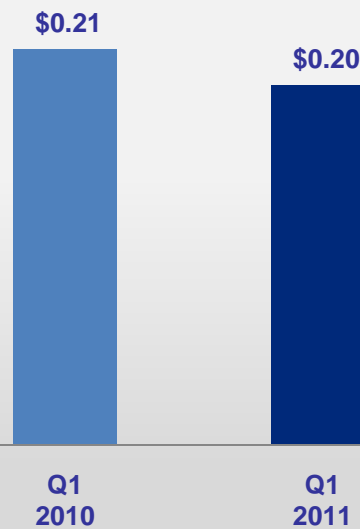
- Defensive lending → focus on cash flow properties, stronger credit quality
- Renewal of matured mortgages → risks we know
- Reduced loan pricing → reflects loan market & desire to strengthen credit quality
- Build reserves to protect capital → consistent results
- Foreclosed properties → maximize value

Solid first quarter

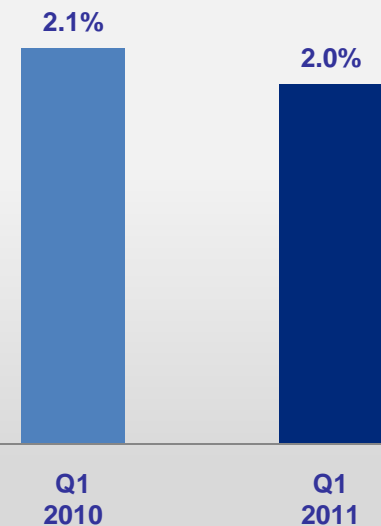
Stable
unit value



Stable
distributions

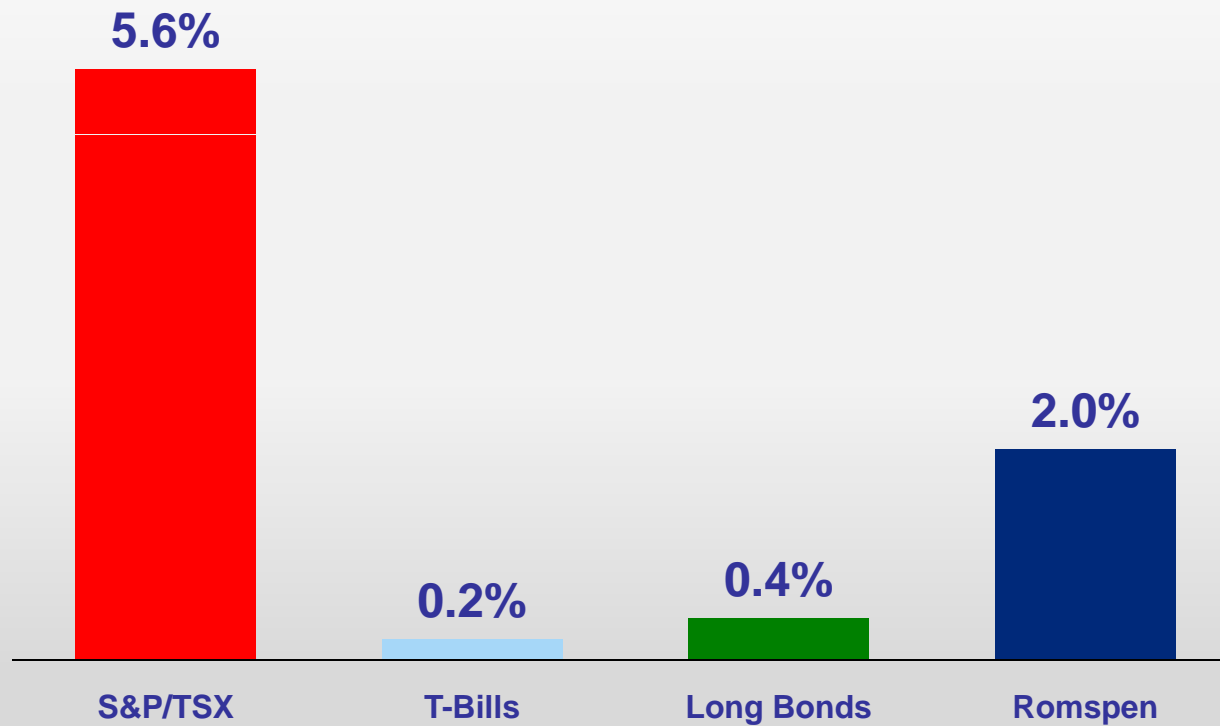


Stable
returns



Q1 2011 Comparative Performance

Strong performance continues in Q1



Source: Bank of Canada, Romspen Audited Financial Statements
Note: Romspen returns are net, comparative returns are gross.



Wesley Roitman
Managing General Partner

Issues/Opportunities

Guild (Edmonton, AB)



Mortgage:

- \$7.0 million 2nd mortgage & 2 collateral 1st mortgages
- Project 85% complete

Issue:

- Cost overruns
- Borrower insolvent

Action:

- Purchased from receiver, finished construction
- Minor finishing work & TI's to complete
- Now leasing

Medallion Business Centre (Calgary, AB)



Mortgage:

- \$38 million 1st mortgage on 190,000 sq ft newly built commercial office
- Excellent location & facility

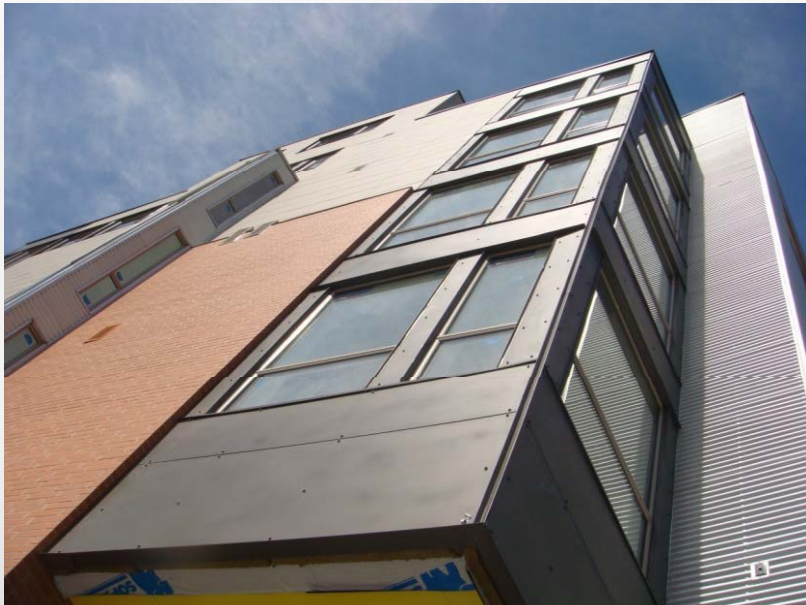
Issue:

- Developer turned away good leases during construction
- Economic downturn impacted leasing momentum & rates

Action:

- Foreclosed in May, now own
- Leasing, market turning up on all metrics

Eco Cite (Ottawa, ON)



Mortgage:

- \$13.5 million 1st mortgage on a 24 unit condo development & adjunct collateral
- Project 90% complete

Issue:

- Cost overruns
- Project delayed
- Borrower insolvent

Action:

- Project now complete
- Condo to be registered
- Units being sold



Other Owned Properties – Now Resolved

Splash Canyon (Springwater, ON)

- \$7.0 million, 1st mortgage loan → sold, recorded \$0.7 million loss

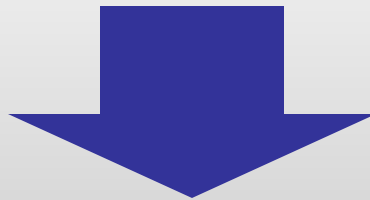
9th Avenue Parking Lot (Calgary, AB)

- \$3.5 million, 1st mortgage loan → sold to third party for full value

US Mortgage Opportunities

Attractive opportunities on selective basis as economy recovers

- Imbalance between credit supply & demand
- FDIC oversight intensified
- Owners under pressure to sell by banks
- Bank mortgage portfolios for sale



Depressed asset values, escalated lending rates, legacy debt write-offs

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