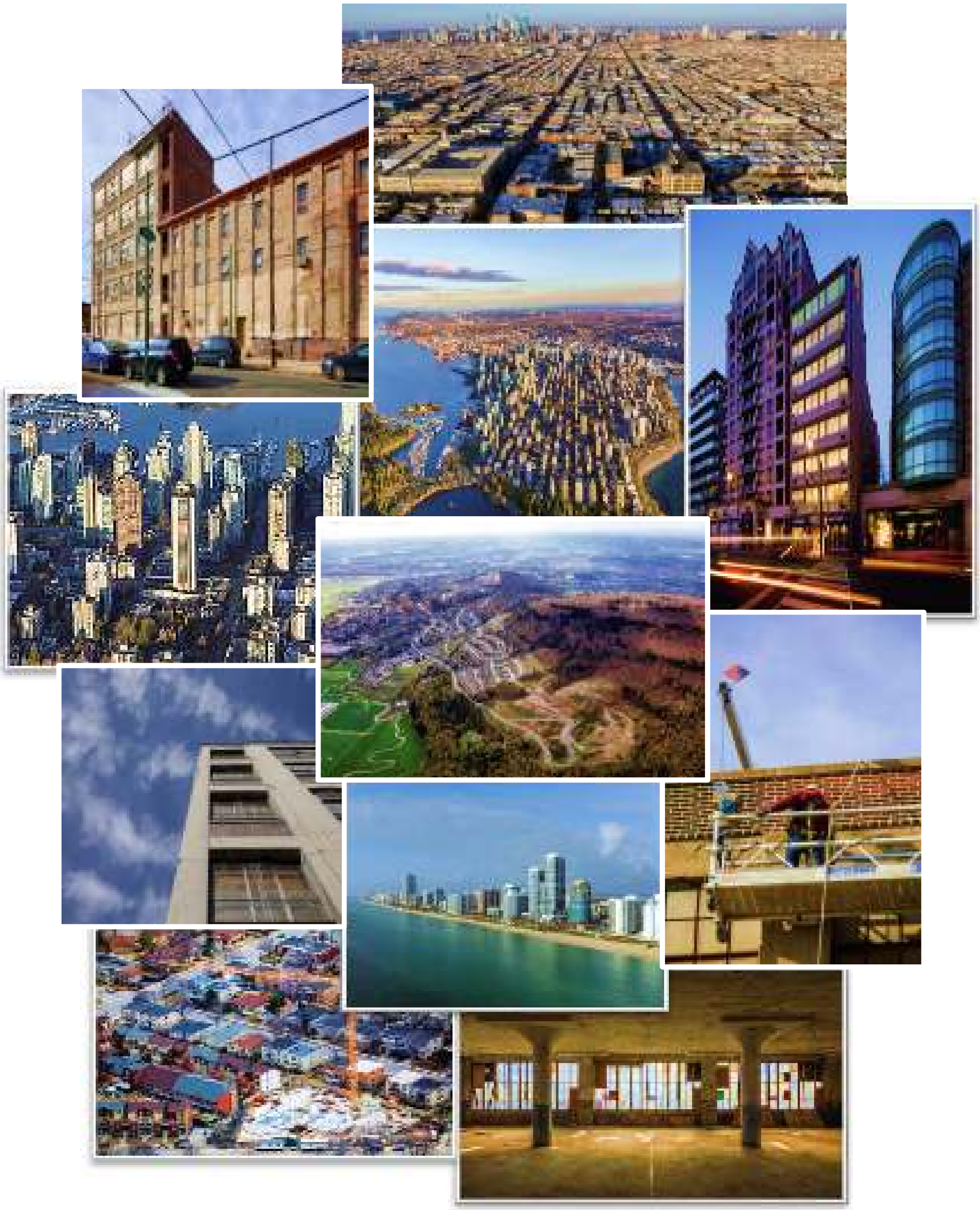


Romspen Mortgage Investment Fund

First Quarter 2018 Report

ROMSPEN

Romspen has a long-term track record of successful mortgage investing. With its origins in the mid-60s, Romspen is one of the largest non-bank commercial/industrial mortgage lenders in Canada with a portfolio in excess of $2.3 billion. Our investors are high net worth individuals, foundations, endowments and pension plans.

The Fund's investment mandate is focused on capital preservation, strong absolute returns, and performance consistency.

We originate, own and service short-term first mortgages tailored to specific borrower requirements. Loans are conservatively underwritten and we keep to a limited, but diversified, pool of mortgages to maintain a "high-touch" approach to investing.

Romspen has had 20 consecutive years of positive net investor yields (7.4% - 10.6%[1]), with positive returns each and every month.

Contents

[1]Yield/return is calculated based on net compounded monthly cash distributions to unitholders, based on a $10.00/unit subscription price without any adjustment for unit gains/losses on sale/redemption.

TRUSTEES' LETTER

Dear Fellow Investors:

Romspen's performance in the first quarter was as expected with steady distributions. On a year-to-date and trailing twelve-month basis, the Fund has continued to strongly outperform all the comparative benchmarks.

Comparative Performance

The compounded net yield to unitholders for the first three months of 2018 was 1.8% versus 1.9% a year ago. This compares with T-bills, FTSE/TMX Short-Term Bond Index ("FTSE/TMX-STBI"), and the S&P/TSX, which yielded 0.3%, 0.2%, and -4.5% respectively on a year-to-date basis.

For the twelve-month period ended March 31, the Fund's compounded net yield to unitholders was 7.8.%. This compares to T-bills, FTSE/TMX-STBI, and S&P/TSX returning 0.9%, -0.4%, and 1.7% respectively.

Financial Highlights

Net earnings for the first quarter of 2018 were $44.3 million or $0.21 per unit compared to $30.0 million or $0.18 per unit a year ago. Operational earnings this year were higher than in 2017 due to growth in the overall mortgage portfolio but were partially offset by lower face interest rates on mortgages, and an increase in the Fund's provision for losses. Unitholder distributions were $0.18 per unit during the first quarter, slightly lower than $0.19 per unit a year ago.

At March 31, the net investment portfolio was $2.3 billion, an increase of 28% compared to Q1 2017. The Fund's portfolio and earnings remain well diversified by property type, geography, size and currency. The weighted average interest rate of the mortgage portfolio at March 31 was lower at 10.5% compared to 11.1% a year ago, which traces primarily to lower rates on new US loans.

The Fund had net bank debt (debt less unrestricted cash) of $192 million at the end of the first quarter compared to net debt of $108 million a year ago. Total unitholder capital was $2.2 billion at quarter end. The total loss provision at quarter end increased to $62 million from $48 million a year ago, thereby maintaining a strong reserve position against potential losses.

Fair Market Value ("FMV") at March 31 was $9.90 per unit, down $0.05 per unit compared to last year. Fluctuations arise as taxable income differs from accounting income due to differences in the treatment of loss reserves, non-accrued interest and other tax considerations. At quarter end, more than 85% of the Fund's US dollar portfolio exposure was hedged as part of our policy to mitigate foreign exchange loss exposure.

Financial Presentation

Effective January 1, 2016, an amendment was made to the International Financial Reporting Standards by the International Accounting Standards Board, which resulted in an unconsolidated financial presentation of the Fund that provides limited insight into the true performance of the portfolio. To provide valuable, transparent and comparable information, a set of combined financial statements similar to previous reporting, have been included in the management's discussion and analysis ("MD&A", pp. 4-12). It is highly encouraged that these financials in the MD&A be used as the primary reference point. We established a US subsidiary, Romspen US Mortgage Limited Partnership, to isolate holdings of new US mortgages going forward, which is now shown as a separate line item on the balance sheet.

Outlook

World economies enjoyed a largely synchronized expansion as global and domestic demand improved, unemployment dropped, wages increased, and global manufacturing approached cyclical highs. Accommodative monetary policy will continue in the Eurozone and Japan but other economies such as the US and Canada have begun to raise interest rates. The greatest threat to the global expansion takes the form of protectionist US trade policies and the potential for a global trade war. Volatility returned to equity markets over the first quarter of 2018 as investors contemplated the potential consequences of rising interest rates and the possibility of the cessation or significant moderation of global free trade.

The Canadian economy had a slow start to the year but is showing solid indications of a recovery in industrial capacity utilization and little economic slack. The private sector appears to be waiting to determine the outcome of the NAFTA negotiations before committing capital to new equipment purchases. Exports are benefiting from a strong US economy and low Canadian dollar but are vulnerable to changes in US trade policy and recently enacted US corporate tax cuts. The consumer is seeing wage gains but also a steady stream of regulatory changes, such as the recent B-20 rule to stress test new residential mortgage applications resulting in a slowing in residential real estate prices and increasing some mortgage servicing costs. Canadian Commercial Real Estate ("CRE") demand and pricing remain buoyant, supported by strong institutional demand domestically and internationally. Overall the Bank of Canada will be watching for signs of an overheating economy and is expected to proceed cautiously.

The US economy is running hot as consumer confidence continues to be supported by low unemployment, accelerating wage growth, rising house prices, lower corporate taxes and stronger stock market performance. Faced with increasing labour shortages, businesses are investing to increase productivity. The recent repeal of significant aspects of the Dodd-Frank banking reform bill, enacted post the credit crisis in 2008, will relax lending standards for regulated US financial institutions. This may expand their scope of activity and put some modest downward pressure on rates and loan volumes in certain markets.

The lending climate in Canada has been particularly robust resulting in a slightly lower exposure to the US than has been the case over the past couple of years. The size and breadth of the US market allows us to diversify our portfolio by region and loan type and mitigate concentration risk. US mortgages and investments represented $903 million (US $710 million) or 39% of the Portfolio in Q1 2018 versus $808 million (US $616 million) or 44% in the same period last year. The US portfolio is well diversified across 16 states including New York (8%), Florida (16%), Texas (14%), California (30%) and Hawaii (10%).

Over the last several quarters we have seen some modest compression in overall portfolio interest rates as older higher rate loans mature and are replaced with new loans at lower interest rates. These lower rates reflect many factors including competitive circumstances as well as loans extended on prime locations with experienced borrowers which command lower rates as credit quality is higher than normal. A continuation of this trend, will at some point, have an impact on investor distributions.

On behalf of the Romspen team, we thank you for your continued support. For further information, please contact Investor Relations at 416-966-1100, or consult our website: www.romspen.com.

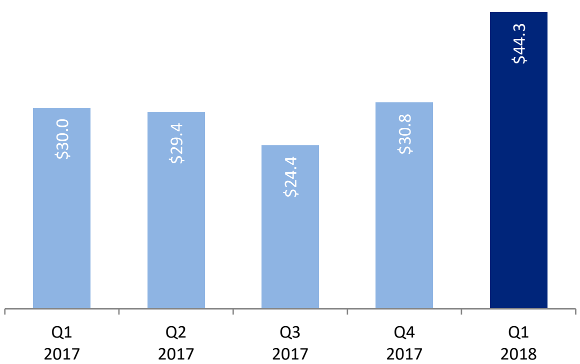
Respectfully submitted,

Sheldon	Mark	Arthur	Wesley
Esbin	Hilson	Resnick	Roitman

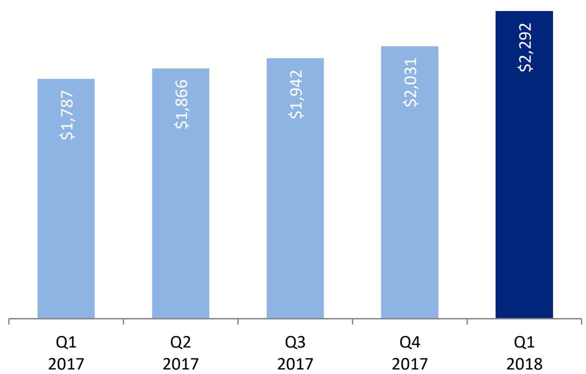
Trustees of the Fund
June 1, 2018

Key Metrics

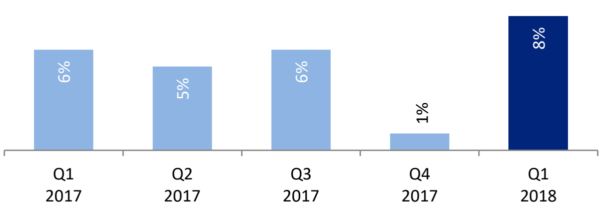
Net Earnings ($millions)



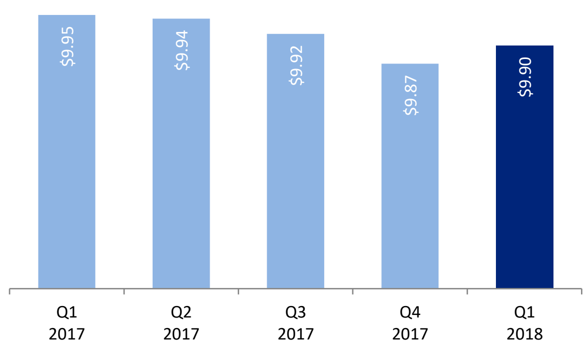
Gross Investment Portfolio ($millions)



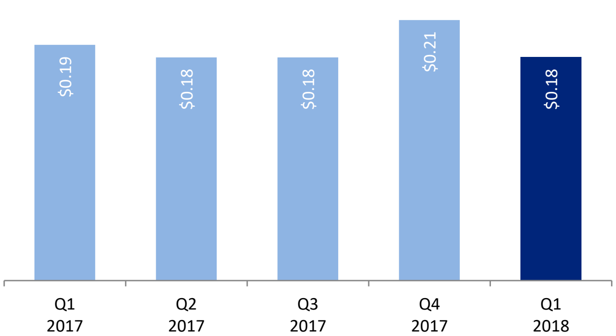
Net Leverage (% of net investment portfolio)



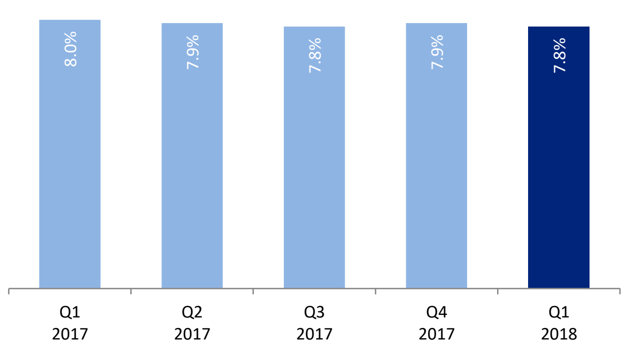
Fair Market Value ($/unit)



Unitholder Distributions ($/unit)

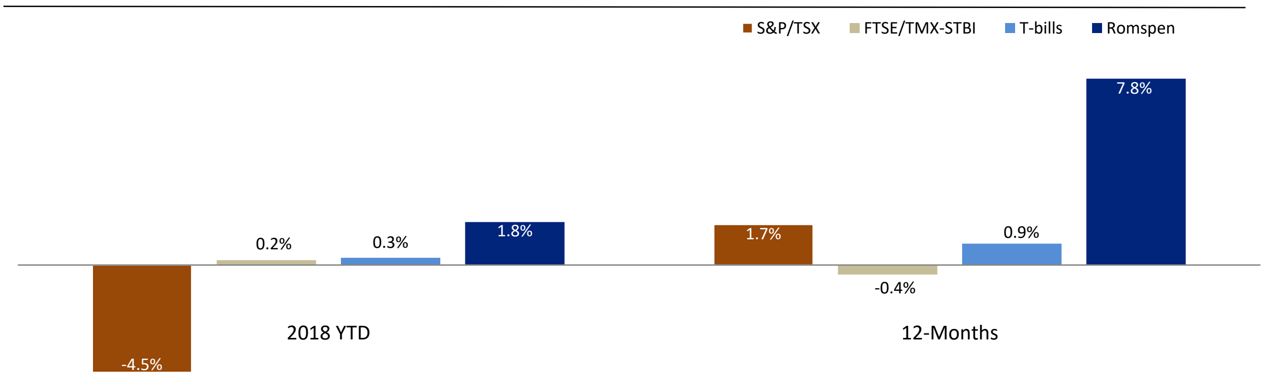


Trailing-12-Months Net Compounded Yield (%)



Comparative Performance

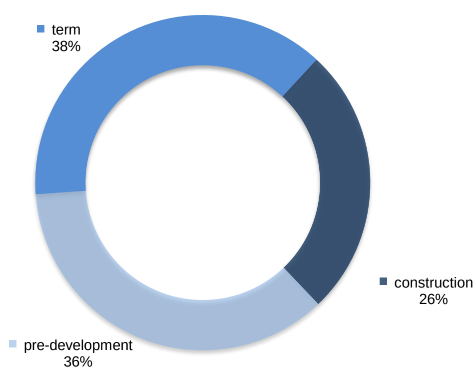
Net Compounded Yield - %
As of March 31, 2018



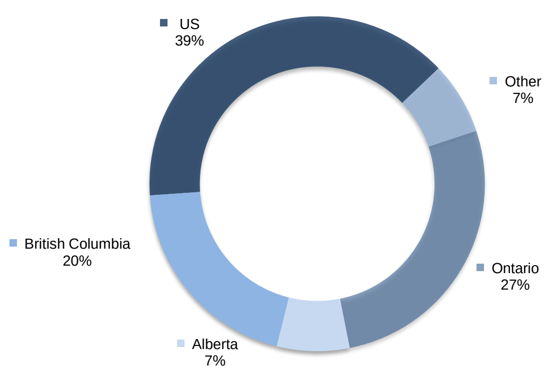
Investment Portfolio Profile

As of March 31, 2018

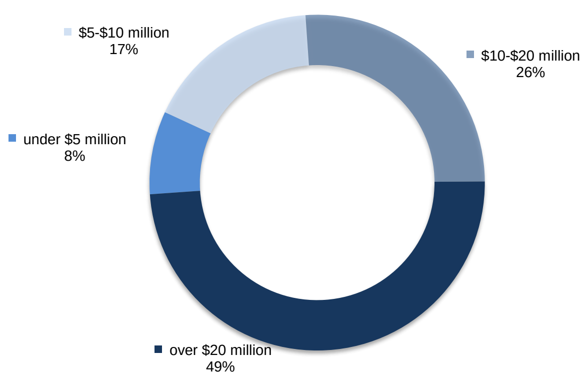
By Type



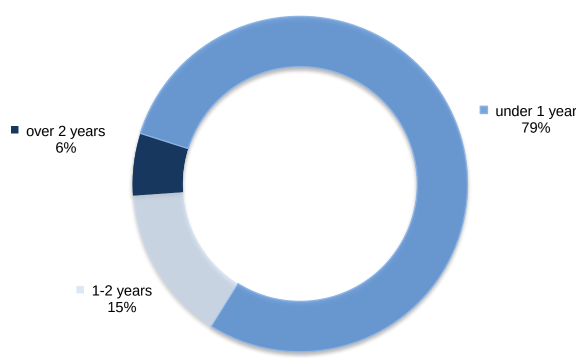
By Geography



By Amount



By Maturity



MANAGEMENT'S DISCUSSION & ANALYSIS

Responsibility of Management

This Management's Discussion and Analysis ("MD&A") for Romspen Mortgage Investment Fund ("the Fund") should be read in conjunction with the financial statements and notes thereto for the quarter ended March 31, 2018 included herein and the audited financial statements and MD&A for the year ended December 31, 2017. Investment in the Fund is subject to certain risks and uncertainties described in the Fund's Offering Memorandum, which should be read in conjunction with this MD&A. These documents are available on our website at: www.romspen.com.

Management is responsible for the information disclosed in this MD&A. The Fund has in place appropriate procedures, systems and controls to ensure such information is materially complete and reliable. In addition, the Fund's trustees have reviewed and approved the MD&A and the financial statements for the quarter ended March 31, 2018.

This MD&A contains certain forward-looking statements and non-IFRS financial measures, see "Forward-Looking Statements" and "Non-IFRS Financial Measures".

Forward-Looking Statements

From time to time, the Fund makes written and verbal forward-looking statements. These are included in its quarterly Management's Discussion and Analysis ("MD&A"), Fund presentations and other Fund communications.

Forward-looking statements include, but are not limited to, business objectives and targets, Fund strategies, operations, anticipated financial results and the outlook for the Fund, its industry, and the Canadian economy. These statements regarding future performance are "financial outlooks" within the meaning of National Instrument 52-102. Forward-looking statements are typically identified by words such as "believe", "expect", "anticipate", "estimate", "plan", "may", and "could" or other similar expressions. By their very nature, these statements require us to make assumptions and are subject to inherent risks and uncertainties, general and specific, which may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These risks and uncertainties include, but are not limited to, global capital market activity, changes in government monetary and economic policies, changes in interest rates, changes in foreign exchange rates, inflation levels and general economic conditions, legislative and regulatory developments, competition and technological change.

The preceding list is not exhaustive of possible factors. These and other factors should be considered carefully and readers are cautioned not to place undue reliance on these forward-looking statements. The Fund does not undertake to update any forward looking statements, whether written or verbal, that may be made from time to time by it or on its behalf except as required by securities laws.

Non-IFRS Financial Measures

This MD&A contains certain non-IFRS financial measures. A non-IFRS financial measure is defined as a numerical measure of the Fund's historical or future financial performance, financial position, or cash flows that excludes amounts or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with IFRS in the financial statements or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. Non-IFRS financial measures disclosed herein are meant to provide additional information and insight regarding the historical operating results and financial position of the Fund. These measures are not in accordance with or a substitute for IFRS and may be different from or inconsistent with non-IFRS financial measures used by others.

Introduction

The Fund is an unincorporated closed-end investment trust established under the laws of the Province of Ontario pursuant to a trust indenture dated as at May 20, 2005. The Fund is a non-bank lender providing and investing primarily in short and medium-term commercial mortgages. The Fund is the sole limited partner in Romspen Mortgage Limited Partnership (the "Partnership") and conducts its lending activities primarily through the Partnership. The objective of the Fund is to provide stable and secure cash distributions of income while preserving equity.

Romspen Investment Corporation ("Romspen") is the Fund Manager and acts as the primary loan originator, underwriter and syndicator for the Partnership. Romspen also acts as administrator of the Fund's affairs. Romspen and its principals, through predecessor companies, have been in the business of mortgage origination, servicing and syndication since 1966.

The Fund commenced operations on January 16, 2006, and raised $158.9 million pursuant to the Exchange Offering, whereby Romspen's investors exchanged their syndicated mortgage interests for units of the Fund, and $15.3 million pursuant to the Unit Offering described in its Offering Memorandum dated March 15, 2005.

On June 22, 2007, new federal legislation came into force that altered the taxation regime for specified investment flow-through trusts or partnerships ("SIFT") (the "SIFT Rules"). Under the SIFT Rules, certain distributions from a SIFT will no longer be deductible in computing a SIFT's taxable income and a SIFT will be subject to tax on such distributions at a rate that is substantially equivalent to the general corporate tax rate. Distributions paid by a SIFT as returns of capital will not be subject to the tax. As its units are not listed on a stock exchange or other public market, the Fund is not subject to the SIFT tax regime.

The Offering Memorandum, financial statements and additional information on the Fund are available and updated regularly on the Fund's website at: www.romspen.com. Unitholders who would like further information may also contact the Investor Relations department of the Fund at: 416-966-1100.

Related Party Transactions

Romspen acts as mortgage manager for the Partnership and administrator for the Fund. The trustees of the Fund are all principals of Romspen. In consideration for its mortgage origination and capital raising services, Romspen receives a fee equal to 1% per annum, calculated daily and paid monthly, of the total of all mortgage investments plus the fair value of any non-mortgage investments. Romspen also receives all lender, broker, origination, commitment, renewal, extension, discharge, participation, and other administrative fees charged to borrowers. In addition, the Partnership has granted to Romspen the option to purchase any mortgage investment held by the Partnership for a purchase price equal to the principal amount of such mortgage plus any accrued interest.

From time to time, the Partnership may invest in mortgage loans made to borrowers who are related to Romspen or the trustees of the Fund. The Partnership may also invest in mortgages which are syndicated among Romspen, the Fund's trustees, or related parties. These related party transactions are further discussed in the notes to the accompanying unconsolidated financial statements.

Portfolio

As of March 31, 2018, the Fund's mortgage and investment portfolio (the "Portfolio"), net of fair value provisions, was $2.3 billion compared with $1.8 billion at March 31, 2017. This increase of $0.5 billion or 28% reflects the increased activity in mortgage markets supported by a strong inflow of investor capital. The Portfolio included 173 mortgages and investments versus 153 last year.

Approximately 95% of the Portfolio was invested in first mortgages at March 31, 2018 (March 31, 2017 – 94%). The weighted average interest rate of the Portfolio decreased to 10.5% at the end of the first quarter versus 11.1% a year ago. The lower weighted average interest rate is due to lower rates on new US loans.

The Portfolio continues to consist mainly of short-term mortgages to third parties and mortgages to the Fund's investment subsidiaries. Approximately 79% of the Portfolio's investments mature within one year (March 31, 2017 - 82%) and 94% mature within two years (March 31, 2017 - 97%). In addition, all of our mortgages are open for repayment prior to maturity. The short-term nature of the Fund's Portfolio permits opportunities to continually and rapidly evolve the Portfolio in response to changes in the real estate and credit markets. The Fund Manager believes this flexibility is far more important in our market niche than securing long-term fixed interest rates.

As of March 31, 2018, approximately 27% of our investments were in Ontario, compared to 26% a year ago. Approximately 27% of the Portfolio was invested in Western Canada, 7% in other provinces and 39% in the US. The Fund Manager believes this broad level of North American diversification adds stability to the Fund's performance by reducing dependency on the economic activity and cycles in any given geographic region.

Total fair value provisions as of March 31, 2018 were $62 million, which represented 3% of the original cost of the Fund's investments or $0.29 per unit outstanding as at March 31, 2018. During the first quarter of 2018, the Fund realized $0.1 million of losses in the Portfolio. The establishment of the fair value provision is based on facts and interpretation of circumstances relating to the Fund's Portfolio. Thus, it is a complex and dynamic process influenced by many factors. The provision relies on the judgement and opinions of individuals on historic trends, prevailing legal, economic, and regulatory trends and on expectations of future developments. The process of determining the provision necessarily involves risk that the actual outcome will deviate, perhaps substantially, from the best estimates made. The fair value provision will continue to be reviewed by the Fund Manager and the Fund's trustees on a regular basis and, if appropriate, will be adjusted.

Financial Presentation

An amendment was made to IFRS 10, IFRS 12 and IAS 28 - applying consolidation exception, which is effective for annual periods beginning January 1, 2016. This amendment results in an unconsolidated financial presentation of the Portfolio that provides limited insight into the true performance of the Fund. In an effort to continue to provide valuable, transparent and comparable information, a set of combined financial statements are provided in the following pages, consistent with past reporting practices. It is highly encouraged that the following financials in the MD&A be used as the primary reference point.

Combined Balance Sheet

For the three months ended March 31, 2018, with comparative figures for 2017

Below is the combined balance sheet of the Fund and its wholly owned subsidiary, Romspen Mortgage Limited Partnership:

(In thousands of dollars, except per unit amounts, unless otherwise noted)	March 31, 2018 (unaudited)	December 31, 2017 (audited)	March 31, 2017 (unaudited)
Assets			
Cash	$ 21,681	$ 81,443	$ 29,232
Accrued interest receivable	78,375	65,930	73,584
Mortgage investments	1,785,924	1,578,378	1,486,101
Investment in subsidiaries	351,843	316,551	301,385
Investment in US Mortgage Limited Partnership	154,244	147,107	-
Other assets	4,107	4,146	4,415
	$ 2,396,174	$ 2,193,555	$ 1,894,717
Liabilities and Unitholders' Equity			
Revolving loan facility	$ 213,519	$ 91,579	$ 137,351
Accounts payable and accrued liabilities	2,884	2,437	1,668
Unrealized loss on foreign exchange forward contracts	9,963	(2,342)	3,077
Prepaid unit capital	2,300	6,165	22,517
Unitholders' distributions payable	13,057	14,759	12,045
	241,723	112,598	176,658
Units submitted for redemption	23,150	10,898	10,481
Unitholders' equity	2,131,301	2,070,059	1,707,578
	$ 2,396,174	$ 2,193,555	$ 1,894,717

Combined Statement of Earnings

Three months ended March 31, 2018, with comparative figures for 2017

Below is the combined statement of earnings of the Fund and its wholly owned subsidiary, Romspen Mortgage Limited Partnership:

(In thousands of dollars, except per unit amounts, unless otherwise noted)	3 Months ended March 31, 2018 (unaudited)	3 Months ended March 31, 2017 (unaudited)
Revenue		
Mortgage interest	$ 44,352	$ 39,917
Income from investment in US Mortgage Limited Partnership	3,300	-
Other	841	110
Realized gain (loss) on foreign exchange	(2,652)	662
Unrealized gain (loss) on foreign exchange	4,756	(1,727)
	50,597	38,962
Expenses		
Management fees	5,071	4,389
Interest	1,254	1,628
Change in fair value of mortgage investments and investments in subsidiaries	(737)	2,800
Realized loss on mortgage investments	93	6
Other (gains) losses	106	(419)
Audit fees	54	54
Legal fees	17	13
Other	437	509
	6,295	8,980
Net earnings	$ 44,302	$ 29,982
Net earnings per unit	$ 0.21	$ 0.18
Weighted Average number of units issued and outstanding	215,292,101	170,100,710

Combined Statement of Unitholders’ Equity

Three months ended March 31, 2018, with comparative figures for 2017

Below is the combined statement of unitholders’ equity of the Fund and its wholly owned subsidiary, Romspen Mortgage Limited Partnership:

(In thousands of dollars, except per unit amounts, unless otherwise noted)	**March 31, 2018 (unaudited)**	December 31, 2017 (audited)	March 31, 2017 (unaudited)
Unit capital			
Balance, beginning of year	**$ 2,100,132**	$ 1,595,409	$ 1,595,409
Issuance of units	**88,047**	562,494	127,031
Redemption of units	**(20,096)**	(89,322)	(41,880)
Penalties on redemptions	**-**	1	1
Decrease (increase) in units submitted for redemption	**(12,252)**	31,550	31,967
Balance, end of year	**$ 2,155,831**	$ 2,100,132	$ 1,712,528
Cumulative earnings			
Balance, beginning of year	**$ 780,862**	$ 666,224	$ 666,224
Net earnings	**44,302**	114,638	29,982
Balance, end of year	**$ 825,164**	$ 780,862	$ 696,206
Cumulative distributions to unitholders			
Balance, beginning of year	**$ (810,935)**	$ (668,890)	$ (668,890)
Distributions to unitholders	**(38,759)**	(142,045)	(32,266)
Balance, end of year	**$ (849,694)**	$ (810,935)	$ (701,156)
Unitholders' equity	**$ 2,131,301**	$ 2,070,059	$ 1,707,578
Units issued and outstanding, excluding units submitted for redemption	**215,271,951**	209,736,945	171,017,665

Combined Cash Flow Statement

Three months ended March 31, 2018, with comparative figures for 2017

Below is the combined cash flow statement of the Fund and its wholly owned subsidiary, Romspen Mortgage Limited Partnership:

(In thousands of dollars, except per unit amounts, unless otherwise noted)	3 Months ended March 31, 2018 (unaudited)	3 Months ended March 31, 2017 (unaudited)
Cash provided by (used in)		
Operations:		
Net earnings	$ 44,302	$ 29,982
Items not affecting cash:		
Amortization of revolving loan facility financing costs	(83)	98
Change in fair value of mortgage investments and investments in subsidiaries	(737)	2,800
Income from investment in US Mortgage Limited Partnership	(2,204)	-
Realized loss on mortgage investments	93	6
Unrealized (gain) loss on foreign exchange	(4,756)	1,727
Amortization of discount	-	(1)
Other (gains) losses	106	(419)
Change in non-cash operating items:		
Accrued interest receivable	(11,262)	(9,936)
Other assets	26	310
Accounts payable and accrued liabilities and unitholders' distributions payable	(1,265)	700
	24,220	25,267
Financing		
Proceeds from issuance of units	88,047	109,813
Distributions to unitholders, net of reinvested funds	(38,759)	(15,048)
Redemption of units	(20,096)	(41,880)
Penalties on redemptions	-	1
Prepaid unit capital	(3,865)	13,197
Change in revolving loan facility	120,158	(14,713)
	145,485	51,370
Investments		
Funding of mortgage investments	(362,565)	(194,652)
Discharge of mortgage investments	139,471	113,218
Net funding of investment in subsidiaries	(5,357)	(6,110)
Net funding of investment in US Mortgage Limited Partnership	(1,016)	-
	(229,467)	(87,544)
Increase (decrease) in cash and restricted cash	(59,762)	(10,910)
Cash and restricted cash, beginning of year	81,443	40,139
Cash and restricted cash, end of year	$ 21,681	$ 29,232

Investment in Subsidiaries

The controlled subsidiaries acquire control of properties in order to finish development and divest of the property with the goal of maximizing return to investors, which may involve, but not specifically require, the advancement of additional funds. These subsidiaries are not consolidated by the Fund and are summarized as follows:

Name	Ownership	Description	Location	Mar 31, 2018
Guild	100%	Office complex	CA	$ 18,641
Camperdown	100%	Land for residential development	CA	996
Railside	100%	Condominium development	CA	1,850
Aspen Lakes	100%	Residential development	CA	14,627
Almonte	50%	Retail plaza	CA	5,555
Bear Mountain	100%	Office complex	CA	12,227
Falconridge	100%	Residential subdivision	CA	42,279
Beach One	100%	Commercial development	CA	2,055
Medallion	100%	Office complex	CA	238
Planetwide	100%	Land for residential development	CA	4,808
Royal Oaks	100%	Residential subdivision	CA	12,156
Haldimand	100%	Landfill	CA	29,542
High Street	100%	Commercial/Residential	CA	20,698
Egreen	100%	Land for industrial development	CA	1,446
Carolina Golf	100%	Golf courses	US	54,075
Big Nob	100%	Land for residential development	CA	7,126
RIC (Kash)	100%	Land for residential development	CA	2,306
Midland	100%	Land for residential development	CA	2,946
Kettle Creek	100%	Land for residential development	CA	34,514
Langford Lake	100%	Land for residential development	CA	21,701
Ponderosa	100%	Land for residential development	CA	31,113
Drought	100%	Land for residential development	CA	10,921
Northern Premier	100%	Land for industrial development	CA	12,181
Hampton Circle	100%	Residential construction	CA	5,532
Lincolnwood	100%	Commercial	US	14,055
Southpoint Landing	100%	Residential	CA	1,239
Cumberland Harbour	100%	Commercial	US	6,677
Robbinsville	100%	Commercial/Residential	US	18,568
Springville	100%	Commercial	US	4,553
				$ 394,625
		Fair Value Adjustment		(42,782)
				$351,843

Income Statement Highlights

Total revenues for the quarter ended March 31, 2018 were $50.6 million compared to $39.0 million in the previous year, a 30% increase. This increase stems from growth in the Portfolio.

Net earnings for the quarter were $44.3 million compared to $30.0 million for the same period last year due to the same reason noted above. The basic weighted average earnings per unit, for the quarter were $0.21 per unit an increase of $0.03 over the prior year.

The Fund distributed $38.8 million or $0.18 per unit during the first quarter (2017 - $32.3 million or $0.19 per unit). The simple and compounded net yield to unitholders for the three month period ended March 31, 2018 were 1.8% and 1.8% respectively. The net yields to unitholders on a simple and compound basis for the preceding twelve-month period were 7.5% and 7.8% respectively.

Management fees payable to the Fund Manager and other general and administrative expenses of the Fund were $5.6 million the same as in the previous year.

Balance Sheet Highlights

Total assets as of March 31, 2018 were $2.4 billion compared to $1.9 billion a year ago. Under IFRS, mortgages that are owed from subsidiary companies holding foreclosed properties have been reclassified from mortgage investments to investment in subsidiaries. Total assets are comprised primarily of mortgages recorded at fair market value, investment in subsidiaries, and accrued interest receivable.

Total liabilities excluding units submitted for redemption as of March 31, 2018 were $242 million compared with $177 million a year earlier. Liabilities at the end of the first quarter were comprised mainly of a $214 million line of credit and $16 million in accounts payable and distributions payable to unitholders. Drawings under the revolving loan facility, together with net cash proceeds of the Unit Offering, are used to increase the Portfolio. The revolving loan facility bears interest not exceeding prime plus 1.0% and is secured by all assets of the Partnership and a pledge of all Partnership units held by the Fund. Net bank debt (debt less unrestricted cash) stood at $192 million (8% of the Portfolio) at quarter end versus $108 million (6% of the Portfolio) a year ago.

Unitholders' equity plus units submitted for redemption as of March 31, 2018 were $2.2 billion compared with $1.7 billion as of March 31, 2017. The increase is primarily from proceeds of issuances of $524 million in excess of redemptions of $68 million during the previous 12 months. There were a total of 217,610,292 units outstanding on March 31, 2018 compared to 172,070,859 on March 31, 2017. There are no options or other commitments to issue additional units.

Liquidity and Capital Resources

Pursuant to the trust indenture, 100% of the Fund's net taxable earnings are intended to be distributed to unitholders. This means that growth in the Portfolio can only be achieved through the raising of additional unitholder equity and utilizing available borrowing capacity. Pursuant to the Fund's investment policies, the Fund may borrow up to 35% of the book value of mortgages held by the Fund. As of March 31, 2018, borrowings totalled approximately 9% of the net portfolio, up 1% from the prior year.

During the three months ended March 31, 2018, proceeds from the issuance of units net of redemptions and costs were $68 million compared to $85 million during the same period in 2017.

The Fund's mortgages are largely short-term in nature with the result that continual repayment by borrowers of existing mortgages creates liquidity for new mortgage investments. We expect continuing growth in the Portfolio to outstrip our funding capability based on current resources. As such, we expect to raise additional equity in future periods and syndicate a portion of new loans to third parties.

Risk Management

The Fund is exposed to various financial instrument risks in the normal course of business. The Fund Manager and trustees have put in place various procedures and safeguards to mitigate these risks in order to ensure the preservation of capital as well as the achievement of acceptable and consistent rates of return.

Outlook

The synchronized global expansion of 2017 continued for the first quarter of 2018 with loans to corporations growing at the fastest pace in recent years, improved domestic demand, declining unemployment and increasing economic activity. Global manufacturing remains near cyclical highs and is particularly buoyant in Europe and the US. The continuation of global prosperity hinges on open markets and is under threat from growing trade protectionism and the spectre of a global trade war initiated by US trade policies. Weak inflationary pressures in Europe and Japan will cause central banks to maintain accommodative monetary policies and the continuation of asset purchase programs.

Global equity markets declined in Q1 of 2018 and investors saw the return of volatility that was largely absent in 2017. Investor sentiment was adversely impacted by trade talks, rising interest rates in the US, monetary policy risks and tech-related corporate controversies. In Canada the energy sector struggled despite the rise of oil prices and dividend paying stocks faced headwinds from rising interest rates.

On the economic front, Canada is showing the highest industrial capacity utilization rate in 10 years and the Bank of Canada's measures of the output gap indicate that there is no longer any slack in the economy. Despite this positive news, the first quarter saw a slow start to the year as exports were hit hard by atypical plant shut downs in the auto sector and the ongoing woes associated with the Keystone pipeline project and, more recently, the Kinder Morgan Trans Mountain pipeline. Ongoing uncertainty regarding the outcome of NAFTA negotiations and the slowness with which they are proceeding is causing a deceleration in business spending as the private sector waits to gain greater clarity as to the outcome.

Canadian housing resales plunged as a result of the B-20 regulations that were implemented and affordability in Vancouver and Toronto is the worst in decades. High prices and higher mortgage rates combined with tighter mortgage rules will cause the housing wealth effect to fade and negatively impact consumer sentiment. In contrast, Canadian Commercial Real Estate ("CRE") saw a record year of performance in 2017 on the back of a record 2016 and 2018 may see another record year. Despite the lateness of the cycle, investors are attracted to Canadian CRE as Canada is viewed as a safe haven with the rule of law and supportive immigration policies. Investors, both private and institutional are also yield starved and institutions are expected to increase their allocations to real estate over the next five years. Vacancies are low in Canada with Toronto and Vancouver showing the lowest office vacancies in North America. Increases in interest rates are expected to be offset, to a degree, by rising rents. Concerns over the potential impact of adverse NAFTA discussions are offset by the fact that logistics, distribution and e-commerce account for three quarters of tenant demand and these industries are primarily domestically focused unlike manufacturing, which accounts for a smaller percentage of tenant demand.

The US economy continues to enjoy a firm upswing in an elongated expansion fueled by consumer spending, and is supported by healthy balance sheets, rising stock portfolios and housing prices, increasing wages and consumer confidence which is at a 17- year high. Business spending has increased as labour markets tighten which should contribute to increased productivity. The real risks to the US economy appear to be created by domestic fiscal policy in the form of tax cuts and large federal spending increases scheduled for 2018 and 2019. This will stimulate an already hot economy at a time when the Federal Reserve is simultaneously moving to withdraw monetary stimulus and is increasing rates. The White House's approach to trade policy could result in a global trade war with disastrous outcomes for the US and global economies although some of the posturing may actually be focused at gaining voter support ahead of the November mid-term elections.

The US housing market is supported by job and wage growth and low unemployment, but sales momentum is lack lustre due to a shortage of listings as the inventory of existing homes has fallen to a 35-year low. House prices and mortgage rates are rising faster than wages and the overall level of construction for single family as opposed to multifamily homes is below historical rates. CRE growth is being driven by strong demand for warehousing and distribution facilities and investments in private transportation facilities such as airports. Recent changes enacted by Congress to repeal certain significant aspects of the Dodd-Frank banking reform bill will relax some lending parameters for regulated US financial institutions. This may result in an expansion of lending activity by these institutions and negatively impact loan volumes and pricing in certain markets.

At Romspen we continue to see robust deal flow in both Canada and the US. For the first time in a few years, portfolio activity has tilted more heavily toward Canada as the competitive market for larger loans has improved domestically. The US market continues to offer multiple opportunities to lend to new borrowers and increasingly to repeat borrowers who value the level of service we provide. Much of the new business is concentrated in California, Texas and Florida and we are careful to review appraisals and lend only according to the internal values we ascribe to properties which are generally lower and in keeping with our risk management process.

Over the last several quarters we have seen some modest compression in overall Portfolio interest rates as older higher rate loans mature and are replaced with new loans at lower interest rates. These lower rates reflect many factors including competitive circumstances as well as loans extended on prime locations with experienced borrowers which command lower rates as credit quality is higher than normal. A continuation of this trend, will at some point, have an impact on investor distributions.

Interim Unconsolidated Financial Statements

ROMSPEN MORTGAGE INVESTMENT FUND

Three months ended March 31, 2018 (Unaudited)

INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31, 2018, with comparative figures for 2017

(In thousands of dollars, except per unit amounts, unless otherwise noted)	March 31, 2018 (unaudited)	December 31, 2017 (audited)	March 31, 2017 (unaudited)
Assets			
Cash	$ 2,449	$ 6,101	$ 19,819
Investment in Romspen Mortgage Limited Partnership ("Partnership") at fair value through profit or loss ("FVTPL") (note 3)	2,167,871	2,097,145	1,733,086
	$ 2,170,320	$ 2,103,246	$ 1,752,905
Liabilities and Unitholders' Equity			
Liabilities:			
Accounts payable and accrued liabilities	512	1,365	284
Prepaid unit capital	2,300	6,165	22,517
Unitholders' distributions payable	13,057	14,759	12,045
	15,869	22,289	34,846
Units submitted for redemption (note 4)	23,150	10,898	10,481
Unitholders' equity (note 4)	2,131,301	2,070,059	1,707,578
Commitments and contingent liabilities (note 9)			
	$ 2,170,320	$ 2,103,246	$ 1,752,905
Net asset value per unit (note 5)	$ 9.90	$ 9.87	$ 9.99

See accompanying notes to unconsolidated financial statements.

INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three months ended March 31, 2018, with comparative information for 2017

(In thousands of dollars, except per unit amounts, unless otherwise noted)	3 Months ended March 31, 2018 (unaudited)	3 Months ended March 31, 2017 (unaudited)
Revenue:		
Distributions from Partnership	$ 17,378	$ 15,031
Increase in net assets of Partnership (note 3)	28,798	16,589
Total revenue	46,176	31,620
Expenses:		
Management fees (note 8 (a))	1,673	1,448
Audit Fees	54	54
Legal fees and other	147	136
Total expenses	1,874	1,638
Net income and comprehensive income	$ 44,302	$ 29,982
Net income and comprehensive income per unit (note 5)	$ 0.21	$ 0.18
Weighted average number of units issued and outstanding (note 5)	215,292,101	170,100,710

See accompanying notes to unconsolidated financial statements.

INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY

Three months ended March 31, 2018, with comparative information for 2017

(In thousands of dollars, except per unit amounts, unless otherwise noted)	**March 31, 2018 (unaudited)**	December 31, 2017 (audited)	March 31, 2017 (unaudited)
Unit capital:			
Balance, beginning of year	**$ 2,100,132**	$ 1,595,409	$ 1,595,409
Issuance of units (note 4)	**88,047**	562,494	127,031
Redemption of units	**(20,096)**	(89,322)	(41,880)
Penalties on redemptions	**-**	1	1
Decrease (increase) in units submitted for redemption (note 4)	**(12,252)**	(31,550)	31,967
Balance, end of year	**$ 2,155,831**	$ 2,100,132	$ 1,712,528
Cumulative earnings:			
Balance, beginning of year	**$ 780,862**	$ 666,224	$ 666,224
Net income and comprehensive income	**44,302**	114,638	29,982
Balance, end of year	**$ 825,164**	$ 780,862	$ 696,206
Cumulative distributions to unitholders:			
Balance, beginning of year	**$ (810,935)**	$ (668,890)	$ (668,890)
Distributions to unitholders (note 6)	**(38,759)**	(142,045)	(32,266)
Balance, end of year	**$ (849,694)**	$ (810,935)	$ (701,156)
Unitholders' equity	**$ 2,131,301**	$ 2,070,059	$ 1,707,578
Units issued and outstanding, excluding units submitted for redemption (note 5)	**215,271,951**	209,736,945	171,017,665

See accompanying notes to unconsolidated financial statements.

INTERIM UNCONSOLIDATED STATEMENT OF CASHFLOWS

Three months ended March 31, 2018, with comparative information for 2017

(In thousands of dollars, except per unit amounts, unless otherwise noted)	**3 months ended March 31, 2018 (unaudited)**	3 months ended March 31, 2017 (unaudited)
Cash flow provided by (used in):		
Operations:		
Net income and comprehensive income	**$ 44,302**	$ 29,982
Items not affecting cash:		
Increase in net assets of Partnership (note 3)	**(28,798)**	(16,589)
Change in non-cash operating items:		
Accounts payable and accrued liabilities and unitholders' distributions payable	**(2,555)**	(169)
	12,949	13,224
Financing:		
Proceeds from issuance of units	**88,047**	109,813
Distributions to unitholders (note 6)	**(38,759)**	(15,048)
Redemption of units	**(20,096)**	(41,880)
Prepaid unit capital	**(3,865)**	13,197
Penalties on redemptions	**-**	1
	25,327	66,083
Investments:		
Net funding of investment in Partnership at FVTPL	**(41,928)**	(68,835)
	(41,928)	(68,835)
Increase (decrease) in cash	**(3,652)**	10,472
Cash, beginning of year	**6,101**	9,347
Cash, end of year	**$ 2,449**	$ 19,819

See accompanying notes to unconsolidated financial statements.

Romspen Mortgage Investment Fund (the “Fund”) is an unincorporated closed-end investment trust established under the laws of the Province of Ontario, pursuant to a trust indenture dated as at May 20, 2005. The Fund is the sole limited partner in the Romspen Mortgage Limited Partnership (the “Partnership”) and conducts its lending activities primarily through the Partnership. The objective of the Fund is to provide stable and secure cash distributions of income, while preserving unitholders’ equity. The Fund’s registered office is 162 Cumberland Street, Suite 300, Toronto, ON M5R 3N5.

Romspen Investment Corporation (“Romspen”) is the Fund’s mortgage manager and acts as the primary loan originator, underwriter and syndicator for the Partnership.

The Fund commenced operations on January 16, 2006. These interim unconsolidated financial statements and accompanying footnotes have been authorized for issue by the Trustees of the Fund (the “Trustees”) on March 31, 2018.

1. Basis of presentation

These interim unconsolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The interim unconsolidated financial statements are measured and presented in Canadian dollars; amounts are rounded to the nearest thousand, unless otherwise stated. The interim unconsolidated financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss (“FVTPL”) which are presented at fair value.

The Fund meets the definition of an investment entity and as a result, the Fund accounts for its investment in the Partnership at FVTPL rather than by consolidating it. The results of operations and the financial position of the Partnership are provided separately in note 3.

2. Significant accounting policies

A) Use of estimates

In preparing these financial statements management has made judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, as well as critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in note 3.

B) Net income and comprehensive income per unit

Net income and comprehensive income per unit is computed by dividing net income and comprehensive income for the year by the weighted average number of units issued and outstanding during the year.

C) Prepaid unit capital

Prepaid unit capital consists of subscription amounts received in advance of the unit issuance date.

D) Financial assets and financial liabilities

Financial assets and financial liabilities at FVTPL are initially measured at fair value, with transaction costs recognized in profit or loss. Financial assets and financial liabilities not at FVTPL are initially measured at fair value plus transaction costs that are directly attributable to their acquisition or issue. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership are transferred or in which the Partnership neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. A liability is derecognized when its contractual obligations are discharged or cancelled, or expired.

E) Current and future accounting changes in accounting policies

Amendments to IAS 1: In 2014, the IASB issued amendments to IAS 1, Presentation of Financial Statements, as part of its major initiative to improve presentation and disclosure in financial reports. There was no significant impact on the Fund’s financial statements as a result of implementation of this amendment.

IFRS 9, Financial Instruments (“IFRS 9”) was published by the IASB in July 2014 and will replace IAS 39, Financial Instruments – Presentation (“IAS 9”). It includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for the annual periods beginning on or after January 1, 2018, with early adoption permitted. It is concluded that there will be no significant impact on the Fund’s financial statements as a result of implementation of this amendment.

(In thousands of dollars, except per unit amounts, unless otherwise noted)

3. Investment in Partnership at FVTPL

The Partnership is a wholly owned investment subsidiary of the Fund, which conducts all the lending activities.

Schedule of investment:

	Mar 31, 2018 (unaudited)	Mar 31, 2017 (unaudited)
Investment balance, beginning of year	$ 2,097,145	$ 1,647,662
Funding of Investment in Partnership	41,928	68,835
Increase in net assets of Partnership	28,798	16,589
Investment balance, at end of year	$ 2,167,871	$ 1,733,086

The Partnership is not consolidated by the Fund and sections of its results of operations and statement of financial position are provided below:

Statement of financial position:

	Mar 31, 2018 (unaudited)	Dec 31, 2017 (audited)
Assets		
Cash	$ 19,232	$ 75,342
Accrued interest receivable	78,375	65,930
Mortgage investments (note 3(b))	1,785,924	1,578,378
Investment in subsidiaries (note 3(c))	351,843	316,551
Investment in US Mortgage LP	154,244	147,107
Other assets	4,107	4,147
	$ 2,393,725	$ 2,187,455
Liabilities and Unitholders' Equity		
Liabilities:		
Revolving loan facility (note 3(e))	$ 213,519	$ 91,579
Accounts payable and accrued liabilities	2,372	1,073
Foreign exchange forward contracts (note 3(f))	9,963	(2,342)
	225,854	90,310
Net assets attributable to unitholders of the Partnership	2,167,871	2,097,145
	$ 2,393,725	$ 2,187,455

Statement of comprehensive income:

	3 Months ended Mar 31, 2018 (unaudited)	3 Months ended Mar 31, 2017 (unaudited)
Revenue		
Mortgage interest	$ 44,352	$ 39,917
Income from Investment in US Mortgage LP	3,300	-
Other	841	110
Realized gain (loss) on foreign exchange	(2,652)	662
Unrealized gain (loss) on foreign exchange	4,756	(1,727)
	50,597	38,962
Expenses		
Management fees	3,398	2,941
Interest	1,254	1,628
Change in fair value of mortgage investments and investments in subsidiaries	(737)	2,800
Realized loss on mortgage investments	93	6
Other (gains) losses	106	(419)
Other	307	386
	4,421	7,342
Net income and comprehensive income	$ 46,176	$ 31,620

A) Significant accounting policies of the Partnership

i) Mortgage investments All mortgages have been designated as FVTPL. Mortgage investments are recorded at fair value, with any changes in fair value reflected in the Partnership's statements of earnings, in accordance with IAS 39 and IFRS 13, Fair Value Measurement ("IFRS 13").

In determining fair value of individual mortgages, management considers the length of time the mortgage has been in arrears, the overall financial strength of the borrowers and the residual value of the security pledged. Any unrealized changes in the fair value of mortgage investments are recorded in the Partnership's statement of comprehensive income as an unrealized fair value adjustment.

ii) Investments in subsidiaries Entities are formed by the Fund to obtain legal title of the underlying security of an impaired mortgage investment. These entities are considered to be subsidiaries due to the Partnership's control and exposure to variable returns from its involvement in these entities. The Partnership is an investment entity and measures investments in its subsidiaries at FVTPL. The carrying value of the mortgage investment, which comprises principal, accrued interest and a fair value adjustment, if any, is reclassified from mortgage investments to investments in subsidiaries. At each reporting date, the Partnership uses management's best estimates to determine fair value of the subsidiaries (note 3(c)).

iii) Investments in US Mortgage LP The Partnership owns 95.81% of Romspen US Mortgage LP as at March 31. 2018. The Partnership does not consolidate Romspen US Mortgage LP and accounts for its investment in Romspen US Mortgage LP at FVTPL

(In thousands of dollars, except per unit amounts, unless otherwise noted)

In determining fair value of individual mortgages, management considers the length of time the mortgage has been in arrears, the overall financial strength of the borrowers and the residual value of the security pledged. Any unrealized changes in the fair value of mortgage investments are recorded in the Partnership's statement of comprehensive income as an unrealized fair value adjustment.

iv) Interest income Interest income, funding and participation fees are recognized using the effective interest method ("EIM"). The EIM discounts the estimated future cash receipts through the expected life of the loan and mortgage to its carrying amount.

v) Use of estimates The mortgage investments are recorded in the Partnership's statement of financial position at fair value. The estimates may include: assumptions regarding local real estate market conditions; interest rates and the availability of credit; cost and terms of financing; the impact of present or future legislation or regulation; prior encumbrances and other factors affecting the mortgage and underlying security of the mortgage investments. Actual results may differ from those estimates.

These assumptions are limited by the availability of reliable comparable data, economic uncertainty, ongoing geopolitical concerns and the uncertainty of predictions concerning future events. Credit markets, equity markets and consumer spending are factors in the uncertainty inherent in such estimates and assumptions. Accordingly, by their nature, estimates of fair value are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the estimated fair value could change by a material amount.

vi) Foreign currency translation Foreign exchange gains and losses on the receipts of payments on mortgage investments are included in realized gain/loss on foreign exchange on the statement of earnings. All unrealized foreign exchange gains and losses on each balance sheet item are included in unrealized foreign exchange gain/loss on the Partnership's statement of comprehensive income.

vii) Financial assets and financial liabilities Financial assets or liabilities at FVTPL are initially recognized on the trade date, which is the date the Partnership becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. The Partnership becomes a party to the contractual provisions for the mortgage investments when cash is advanced to the third-party borrower.

IAS 39 and IFRS 13 establish standards for recognizing and measuring financial assets and financial liabilities, including non-financial derivatives. In accordance with these standards, the Partnership has classified its financial assets as one of the following: FVTPL or loans and receivables. All financial liabilities must be classified as FVTPL or other financial liabilities. The Partnership's designations are as follows:

A) Mortgage investments are classified as debt instruments and are designated as FVTPL, categorized into Level 3 of the fair value hierarchy.

B) Investments in subsidiaries – entities over which the Partnership has control are designated as FVTPL and categorized into Level 3 of the fair value hierarchy, as permitted by IFRS 10, Investment Entities – Exception to Consolidation.

C) The revolving loan facility, accounts payable and accrued liabilities, prepaid unit capital, unitholders' distributions payable and units submitted for redemption are classified as other financial liabilities and are measured at amortized cost using the effective interest rate method.

Financial assets classified as FVTPL are carried at fair value on the financial statements of financial position. The net realized and unrealized gains and losses from fair value changes and foreign exchange differences, excluding interest, are recorded in the Partnership's statement of comprehensive income and statement of cash flows.

B) Mortgage investments (excluding mortgages to investment subsidiaries)

The following is a summary of the mortgages:

			Mar 31, 2018	Mar 31, 2017
	Number of mortgages	Original cost	Fair Value	Fair Value
First mortgages	122	$ 1,715,957	$ 1,696,290	$ 1,401,523
Second mortgages	8	89,634	89,634	84,578
		$ 1,805,591	$ 1,785,924	$ 1,486,101

A reconciliation of the mortgage investments for the three months ended March 31, 2018 is as follows:

Mortgage investments	Mar 31, 2018	Mar 31, 2017
Investments balance, beginning of year	$ 1,578,378	$ 1,414,008
Funding of mortgage investments	362,565	194,652
Discharge of mortgage investments	(139,471)	(113,218)
Non-cash transfer to investment in subsidiaries	(23,121)	-
Unrealized gain (loss) in the value of investments	-	(1,574)
Realized gain (loss) on investments	(93)	(6)
Amortization of discount	-	1
Foreign currency adjustment on investments	7,666	(7,762)
Investments balance, end of year	$ 1,785,924	$ 1,486,101

Credit risk arises from the possibility that mortgagors may be unable to fulfill their obligations. In accordance with the Fund's policies, the Partnership mitigates this risk by ensuring that its mix of mortgages is diversified and by limited exposure to any one mortgagor or property.

(In thousands of dollars, except per unit amounts, unless otherwise noted)

As part of the assessment of fair value, management of the Fund routinely reviews each mortgage for impairment to determine whether or not a mortgage should be recorded at its estimated realizable value.

Principal repayments based on contractual maturity dates are as follows:

In 12 Months	$ 383,060
In 24 Months	1,011,036
In 36 Months	313,308
Thereafter	98,187
	$ 1,805,591

Included in the Due In 12 Months category are loans which are past due or on a month-to-month arrangement. Borrowers have the option to repay principal at any time prior to the maturity date.

C) Investments in subsidiaries

	Mar 31, 2018	Mar 31, 2017
Investments in subsidiaries at cost	$ 394,625	$ 328,635
Fair value adjustment	(42,782)	(27,250)
	$ 351,843	$ 301,385

The Fund's investments in subsidiaries are measured at fair value using Level 3 unobservable inputs. As a result, all investments in subsidiaries have been classified in Level 3 of the valuation hierarchy.

A reconciliation of investments in subsidiaries for the three months ended March 31, 2018 is as follows:

Investments in subsidiaries	Mar 31, 2018	Mar 31, 2017
Investments balance, beginning of year	$ 316,551	$ 296,308
Funding of investments	6,857	9,506
Discharge of investments	(1,500)	(3,396)
Non-cash transfer from mortgage investments	23,121	-
Net unrealized loss in the fair value of investments	737	(1,226)
Foreign currency adjustment on investments	6,077	193
Investments balance, end of year	$ 351,843	$ 301,385

D) Partnership's investment in US Mortgage LP at FVTPL

The Partnership owns 95.81% of US Mortgage LP at March 31, 2018. US Mortgage LP was formed on January 17, 2017 pursuant to the Delaware Revised Uniform Limited Partnership Act, 6 Delaware Code, Chapter 17 and commenced operations on August 1, 2017. US Mortgage LP conducts its lending activities in the United States with the sole objective to provide stable and secure cash distributions of income, while preserving partners' equity. US Mortgage LP is managed by Romspen US Mortgage GP Inc. (the "General Partner") and Romspen Investment Limited Partnership (the "Manager").

The Partnership provides temporary funding to assist US Mortgage LP's ability to fund loans. This will be more prominent in the beginning months of US Mortgage LP until it establishes other financing abilities such as a credit facility. These loans are in priority of equity and are arranged to be repaid by the next unit offering date of US Mortgage LP. These loans bear an interest rate of prime plus 1.25% and are paid down in full by the first business day of the following month. As of March 31, 2018, a balance of $6,367 (equivalent of $5,000 USD) is outstanding and included in the investment balance.

A reconciliation of investments in US Mortgage LP for the three months ended March 31, 2018 is as follows:

Investment in US Mortgage LP	Mar 31, 2018	Mar 31, 2017
Investment balance, beginning of year	$ 147,107	$ -
Funding of investments	1,016	-
Discharge of investments	-	-
Income from equity investment	2,204	-
Foreign currency adjustment on investments	3,917	-
Investment balance, end of year	$ 154,244	$ -

E) Revolving loan facility

The Partnership entered into a revolving loan facility on July 16, 2012 and it was amended on November 12, 2015 with an increased maximum amount of $298,000 (2017 – $298,000) including borrowings of equivalent amount denominated in US dollars. Approximately $84,481 (2017 – $160,649) is available and $213,519 has been drawn as at March 31, 2018 (2017 – $137,351). Interest on the loan is charged at a maximum of prime rate plus 1.0%. The minimum and maximum amounts drawn under the revolving loan facility during the three months ended March 31, 2018 were $73,000 and $184,000 (2017 – $92,000 and $116,000), respectively. The loan is secured by all assets of the Partnership and a pledge of all Partnership units held by the Fund. The loan matures on July 18, 2019.

The costs associated with the establishment of the revolving loan facility are amortized over the two-year initial term of the facility and have been included in other assets for $443 (2017 – $119), net of accumulated amortization of $221 (2017 – $490).

F) Foreign exchange forward contracts

The foreign exchange forward contracts are used to hedge the Fund's exposure to loans denominated in US dollars. The following table sets out the fair values and the notional amount of foreign exchange forward contract derivative assets and liabilities held by the Partnership as at March 31, 2018 and 2017:

(In thousands of dollars, except per unit amounts, unless otherwise noted)

Foreign exchange gain (loss) on forward contracts as of March 31, 2018:

	Currency received to be delivered in US$ (CDN$)	Fair value at foreign exchange	Unrealized gain (loss)
Mar 31, 2018	**$ 433,719**	**$ 443,682**	**$ (9,963)**
Mar 31, 2017	326,209	329,286	(3,077)

The foreign exchange forward contracts are used to hedge the Fund's exposure to loans denominated in US dollars and are classified as held-for-trading.

Included in the Partnership's statement of comprehensive income are unrealized foreign exchange losses on forward contracts, which are economically offset by unrealized gains for a net gain of $4,756 (2017 – $1,727 net loss) on assets classified as FVTPL.

The realized foreign exchange loss in the Partnership's statements of comprehensive income includes realized foreign exchange gains of $403 (2017 – loss of $32) on forward contracts, which are offset by $3,055 net losses on assets classified as FVTPL and revolving credit facility. (2017 – gains of $694).

4. Unitholders' equity

The beneficial interests in the Fund are represented by a single class of units, which are unlimited in number. Each unit carries a single vote at any meeting of unitholders and carries the right to participate pro-rata in any distributions. These units are classified as equity as they are puttable instruments that entitle the holder to a pro-rata share of the Fund's net assets in the event of the Fund's liquidation. They are in a class of instruments that are subordinate to all other classes of instruments, and have identical features. Unitholders have a limited right to redeem their units, on a monthly basis, upon a minimum of 30 days' notice. Partial or complete redemption of units is limited on a monthly basis to 1% of the aggregate fair market value of units outstanding on the valuation date immediately preceding the said redemption date. Redemption notices on any given redemption date shall maintain their order of priority until the unit redemption price for such units has been paid in full. Additionally, the trustees shall be entitled in their sole discretion to extend the time for payment of any unit redemption prices if, in the reasonable opinion of the trustees, such payment would be materially prejudicial to the interests of the remaining unitholders in the Fund.

In the extraordinary circumstance where the number of units properly tendered for redemption ("Tendered Units") by unitholders ("Tendering Unitholders") on any given redemption date exceeds 3% of the total number of units outstanding on such redemption date, the trustees are entitled in their sole discretion to modify or suspend unitholder redemption rights. Specifically, if the extraordinary circumstance referenced above occurs, the trustees are entitled, in their sole discretion, to implement one of the following measures:

A) **Discounted redemptions** The trustees shall give notice to Tendering Unitholders that their Tendered Units shall be redeemed on the next redemption date at a redemption price discounted by a discount factor to be determined by the trustees in their sole discretion, acting reasonably. In determining the discount factor, the trustees may consider such factors as market prices for similar investments that are traded on a stock exchange in Canada, the variation inherent in any estimates used in the calculation of the fair market value of the Tendered Units to be redeemed, the liquidity reasonably available to the Fund and general economic conditions in Canada. Unitholders may choose to retract their redemption request upon receiving notice from the trustees of a discounted redemption; however, unitholders who retract will be prohibited from redeeming the Tendered Units to which their retraction applies for a period of up to twelve months following the date the discounted redemptions are processed.

B) **Temporary suspension of redemptions** The trustees shall give notice to all unitholders that normal course redemption rights are suspended for a period of up to six months. Issuance of a suspension notice by trustees will have the effect of cancelling all pending redemption requests. At the end of the suspension period, the trustees may call a special meeting of unitholders to approve an extension of the suspension period, failing which normal course redemptions will resume.

As at March 31, 2018, unitholders representing approximately 2,338,341 (2017 – 1,053,194) units have requested redemption of their units, the redemption of which is subject to the above restrictions. These units have been reclassed to liabilities from unitholders' equity in order to comply with applicable accounting rules. These units, however, continue to have the same rights and no priority over the remaining units. Units submitted for redemption are redeemed at the net asset value.

(In thousands of dollars, except per unit amounts, unless otherwise noted)

A) The following units are issued and outstanding

	Mar 31, 2018		Mar 31, 2017	
	Units	Amount	Units	Amount
Balance, beginning of year	210,841,104	$ 2,110,825	163,581,841	$ 1,637,653
New units issued	6,666,530	66,666	10,981,245	109,813
New units issued under distribution reinvestment plan	2,138,135	21,381	1,721,765	17,218
Units redeemed	(2,035,477)	(20,096)	(4,213,992)	(41,880)
Proceeds from issuance of units, net of redemptions	6,769,188	67,951	8,489,018	85,151
Balance, end of year	217,610,292	$ 2,178,776	172,070,859	$ 1,722,804

During the normal course of business, the Fund receives unit issuance and redemption requests from the investors. In 2018, the Fund received requests for redemption of 5,288,059 units (2017 – 995,073) and redeemed 2,035,477 units (2017 – 4,213,992) for $20,096 (2017 - $41,880) in accordance with its policies.

The Fund continues to issue new units and receive redemption requests, which will be processed in accordance with the above-mentioned policies.

B) Distribution reinvestment plan and direct unit purchase plan

The Fund has a distribution reinvestment plan and direct unit purchase plan for its unitholders, which allows participants to reinvest their monthly cash distributions in additional units at a unit price equivalent to $10.00 per unit.

5. Net asset value per unit and net income and comprehensive per unit

Net asset value per unit is calculated as total assets less total liabilities allocable to outstanding units, excluding units submitted for redemption, of 215,271,951 as at March 31, 2018 (2017 – 171,017,665).

Net income and comprehensive income per unit have been computed using the weighted average number of units issued and outstanding of 215,292,101 for the three months ended March 31, 2018 (2017 – 170,100,710).

6. Distributions

The Fund makes distributions to the unitholders monthly on or about the 15th day of each month. The Fund's trust indenture indicates that the Fund intends to distribute 100% of the net earnings of the Fund, determined in accordance with the Income Tax Act (Canada), to the unitholders. For the three months ended March 31, 2018, the Fund declared distributions of $0.18 (2017 – $0.19) per unit and a total of $38,759 (2017 – $32,266) was distributed to the unitholders.

7. Income taxes

The Fund is taxed as a mutual fund trust for income tax purposes. Pursuant to the trust indenture, the Fund intends to distribute 100% of its income for income tax purposes each period to such an extent that it will not be liable for income tax under the Income Tax Act (Canada). Therefore, no provision for income taxes is required on earnings of the Fund.

On June 22, 2007, new legislation relating to the federal income taxation of a specified investment flow-through trust or partnership ("SIFT") received royal assent (the "SIFT Rules").

Under the SIFT Rules, certain distributions from a SIFT will no longer be deductible in computing a SIFT's taxable income and a SIFT will be subject to income taxes on such distributions at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation. Distributions paid by a SIFT as returns of capital will not be subject to income taxes.

The Fund is not subject to the SIFT tax regime as its units are not listed or traded on a stock exchange or other public market. Accordingly, the Fund has not recorded a provision for income taxes or future income tax assets or liabilities in respect of the SIFT Rules.

8. Related party transactions and balances

Transactions with related parties are in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties and which represents fair market value.

Other than the transactions disclosed elsewhere in these financial statements, the Fund and the Partnership had the following significant related party transactions:

A) The majority of the trustees of the Fund are owners of Romspen. Under the Mortgage Origination and Capital Raising Agreement, Romspen provides capital raising services to the Fund. Romspen receives fees totalling 0.33% per annum, calculated daily and payable monthly, of the principal balance of all mortgage investments and the fair market value of all other non-mortgage investments. For the three months ended March 31, 2018, the total amount was $1,673 (2017 - $1,448).

B) Under the Mortgage Origination and Capital Raising Agreement, Romspen provides mortgage origination services to the Partnership. Romspen receives fees totalling 0.67% per annum, calculated daily and payable monthly, of the principal balance of all mortgage investments and the fair market value of all other non-mortgage investments. For the three months ended March 31, 2018, this amount was $3,398 (2017 - $2,941).

C) Romspen and related entities also receive certain fees directly from the borrower, generated from the Partnership's mortgage investments as follows: all lender, broker, origination, commitment, renewal, extension, discharge, participation, insufficient funds and administration fees generated on the mortgages. For the three months ended March 31, 2018, this amount was $8,208 (2017– $6,935).

D) Several of the Partnership's mortgages are syndicated with other investors of Romspen, which may include Romspen, members of management of Romspen and officers or trustees of the Fund. The Partnership ranks equally with, or in priority to, other members of the syndicate as to receipt of principal and income. Employees and directors of Romspen, along with related parties, are also permitted to invest in the Fund.

E) As at March 31, 2018, the Partnership had two (2017 - two) investments outstanding with an original cost of $32,267 (2017 - $31,973), including accrued interest of $382 (2017 - $382) and fair value of $21,088 (2017 - $22,318) due from mortgagors and investments in which members of management of Romspen own non-controlling equity interests.

F) Included in the Fund's accounts payable and accrued liabilities is a total amount of $137 (2017 - $49) payable to Romspen.

G) Included in the Partnership's accounts payable and accrued liabilities is an amount of $278 (2017 – $99) payable to Romspen.

9. Commitments and contingent liabilities

A) In the event that management agreements are terminated, the various management agreements between the Fund, the Partnership and Romspen contain provisions for the payment of termination fees of an amount equal to 2% of the fair market value of the Partnership's assets under administration on the date on which the termination notice is received, in addition to any other amounts owing by the Partnership. These amounts will be satisfied by the payment of cash, interests in mortgages or in such combination thereof as determined by the mortgage manager. These agreements continue in force until terminated in accordance with their provisions.

B) The Partnership has granted an irrevocable option to Romspen to purchase, at any time, any or all Partnership mortgages at a purchase price equal to the principal amount of such mortgage plus accrued interest.

C) The Partnership in certain situations provides guarantees for its subsidiaries. As of March 31, 2018, there were $18,023 of guarantees outstanding (2017 – $17,200).

D) The Partnership has letters of guarantee outstanding at March 31, 2018 of $22,845 (2017 – $14,965).

10. Fair values of financial instruments

IFRS 13 establishes enhanced disclosure requirement for fair value measurements of financial instruments and liquidity risks. A three-level valuation hierarchy is used for disclosure of financial instruments measured at fair value based upon the degree to which the inputs used to value an asset or liability as of the measurement date are observable:

- Level 1 – quoted (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fund

The Fund's investment in the Partnership has been classified in Level 2 of the hierarchy.

Fair value of the investment in the Partnership is the amount of net assets attributable to unitholders of the Partnership. The fund routinely redeems and issues the redeemable Partnership units at the amount equal to the proportionate share of net assets of the Partnership at the time of redemption. Accordingly, the carrying amount of net assets attributable to unitholders of the Partnership approximates their fair value.

The fair values of cash, accounts payable and accrued liabilities, unitholders' distributions payable and prepaid unit capital approximate their carrying values due to their short-term maturities.

Partnership

The Partnership's mortgage investments are measured at fair value using unobservable inputs. As a result, all mortgage investments have been classified in Level 3 of the valuation hierarchy.

The Partnership's investments in subsidiaries are measured at fair value using Level 3 unobservable inputs, including comparable market property values, appraisals and discounted cash flows.

Fair value of the portfolio is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties under no compulsion to act. As there is no quoted price in an active market for these mortgages, Romspen makes its determination of fair value based on the assessment of the current lending market for investments of same or similar terms. Typically, the fair value of mortgages approximate their carrying values given the mortgage and loan investments consist of short-term loans that are repayable at the option of the borrower without yield maintenance or penalties. When collection of the principal amount of a mortgage or loan is no longer reasonably assured, the fair value of the investment is adjusted to the fair value of the underlying security.

(In thousands of dollars, except per unit amounts, unless otherwise noted)

The fair value of the Partnership's investments in subsidiaries is generally determined using a variety of methodologies, including comparable market property values, market research data, third-party and in-house appraisals, and discounted cash flow analysis, which would include inputs related to discount rates, future cash flows, liquidity, etc.

The fair value of the Partnership's total investments are as follows:

Description	Mar 31, 2018	Mar 31, 2017
Mortgage investments and investments in subsidiaries, at amortized cost	$ 2,200,216	$ 1,835,571
Investment in US Mortgage LP	154,244	-
Unrealized fair value adjustment	(62,449)	(48,085)
	$ 2,292,011	$ 1,787,486

Description	Mar 31, 2018	Mar 31, 2017
Mortgage investments	$ 1,785,924	$ 1,486,101
Investment in subsidiaries	351,843	301,385
Investment in US Mortgage LP	154,244	-
	$ 2,292,011	$ 1,787,486

The fair values of cash, accrued interest receivable, revolving loan facility and accounts payable and accrued liabilities approximate their carrying values due to their short-term maturities.

Romspen regularly reviews significant unobservable inputs and valuation adjustments and will use market observable data when available. When third-party appraisals are used to measure fair values of its investments in subsidiaries, the Fund will assess the evidence obtained to support valuations that meet the requirements of IFRS.

11. Financial instrument risk management

The Fund is exposed in varying degrees to a variety of risks from its use of financial instruments. The trustees and Romspen discuss the principal risks of the business on a day-to-day basis. The trustees set the policy framework for the implementation of systems to manage, monitor and mitigate identifiable risks. The Fund's risk management objective in relation to these instruments is to protect and minimize volatility to net assets and mitigate financial risks, including credit risk, liquidity risk, market risk (including interest rate risk and currency risk) and capital management risk. Romspen seeks to minimize potential adverse effects of risk by retaining experienced analysts and advisors, monitoring the Partnership's positions, market events and entering into hedge contracts. The types of risks the Fund is exposed to, the source of risk exposure and how each is managed is outlined hereafter:

A) Credit risk

Credit risk is the risk of loss due to a counterparty to a financial instrument failing to discharge their obligations.

Fund

The Fund is exposed to credit risk through its investment in the Partnership.

Partnership

Credit risk arises from mortgage investments held, from investments in subsidiaries and also from foreign exchange forward contracts. The Partnership's sole activity is to discharge their obligations. The Partnership's sole activity is investing in mortgages (note 3) and, therefore, its assets are exposed to credit risk. Any instability in the real estate sector and adverse change in economic conditions in Canada could result in declines in the value of real property securing its mortgage investments. Romspen manages credit risk by adhering to the investment and operating policies, as set out in its Offering Memorandum. This includes the following policies:

i) no more than 20% of the Fund's capital may be invested in subordinate mortgages; and
ii) no more than 10% of the Fund's capital may be invested in any single mortgage or to any single borrower.

The Partnership focuses its investments in the commercial mortgage market segments described in its Offering Memorandum, which includes development mortgages, construction mortgages, term financing mortgages and residential mortgages. These mortgages generally have the following characteristics:

i) initial terms of 12 to 24 months;
ii) loan to value ratios of approximately 65% at time of underwriting;
iii) significant at-risk capital and/or additional collateral of property owner; and
iv) full recourse to property owners supported by personal guarantees.

In addition, the Fund's Trustees meet regularly to review and approve each mortgage investment and to review the overall portfolio to ensure it is adequately diversified.

Romspen manages counterparty credit risk on foreign exchange forward contracts by dealing with counterparties with high credit ratings.

B) Liquidity risk

Liquidity risk is the risk that the Fund or the Partnership will not have sufficient cash to meet its obligations as they become due.

Fund

Unitholders in the Fund have the limited right to redeem their units in the Fund, as described in its Offering Memorandum and paragraph 5.25 of the Fund's Declaration of Trust. The Trustees are entitled, in their sole discretion, to extend the time for payment of any unitholder redemption if, in their reasonable opinion, such payment would be materially prejudicial to the interests of the remaining unitholders.

The Fund is obliged to pay management fees to Romspen, which are funded out of interest income earned from the Partnership.

Partnership

The Partnership mitigates this risk by monitoring its scheduled mortgage repayments and ensuring that sufficient funds are available in the near term to satisfy all of its obligations. The Partnership's obligations are primarily those which arise under the revolving loan facility, the Mortgage Management Agreement and its Declaration of Trust. In the current economic climate and capital markets, the lenders may continue to tighten their lending standards which could make it challenging for the Partnership to obtain financing on favourable terms, or to obtain financing at all.

The Partnership's revolving loan facility (note 3(e)) was renewed and matures on July 18, 2019. If it is not extended at maturity, repayments under the Partnership's portfolio would be utilized to repay the revolving loan facility. The Partnership's mortgages are predominantly short-term in nature, and as such, the continual repayment by borrowers of existing mortgage investments creates liquidity for ongoing mortgage investments and funding commitments.

If the Partnership is unable to continue to have access to its revolving loan facility, the size of the Partnership's portfolio will decrease and the income historically generated through holding a larger portfolio by utilizing leverage will not be earned.

As at March 31, 2018, the Partnership had not utilized its full leverage availability, being a maximum of 35% of its qualified mortgage investments.

The Partnership is not obliged to invest in any mortgages originated by Romspen and, therefore, has no future funding obligations in respect of the Romspen's mortgage commitments. The Fund is obliged to pay management fees to Romspen, which are funded out of interest income earned from the Partnership.

C) Market risk

Market risk is the risk that changes in market prices – such as interest rates, foreign exchange rates, equity prices and credit spreads – will affect income or fair value of financial instruments.

Fund

The Fund is exposed to market risk through its investment in the Partnership.

Partnership

Market risk arises on the fair value of the collateral securing any of the Partnership's mortgage investments. Romspen ensures that it is aware of real estate market conditions in the regions in which it operates. Real estate market trends are monitored on an ongoing basis and Romspen's lending practices and policies are adjusted when necessary.

i) Interest rate risk Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The fund manages this risk by investing primarily in short-term mortgages. The Partnership's investment objective is to obtain an acceptable and consistent absolute rate of return that is not related to any market-based interest rate benchmark.

As a result, the credit characteristics of the mortgages will evolve such that in periods of higher market interest rates, the mortgages will be those with narrower credit spreads, and vice versa in periods of lower market interest rates compared to other benchmark interest rates.

The majority of the Partnership's investments are in fixed rate, short-term mortgages. The Partnership generally holds all of its mortgages to maturity. There is no secondary market for the Partnership's mortgages and in syndication transactions; these mortgages are generally traded at face value without regard to changes in market interest rates.

The Partnership's debt under the revolving loan facility (note 3(d)) bears interest not exceeding the prime rate plus 1.0%.

As at March 31, 2018, if interest rates on the revolving loan facility had been 100 points basis lower or higher, with all other variables held constant, net income and comprehensive income for the year would be affected with a total increase or decrease of $244 (2017 – $249). Romspen monitors the financial markets and can adjust the pricing of renewals and new loans when it deems it appropriate.

ii) Currency risk Currency risk is the risk that the fair value or future cash flows of the Partnership's portfolio will fluctuate based on changes in foreign currency exchange rates. Approximately $909,508 (2017 – $797,545), 39% (2017 – 45%) of the total Fund's investments at year end, are denominated in US dollars and secured primarily by charges on real estate located in United States; consequently, the Fund is subject to currency fluctuations that may impact its financial position and results. The Fund reduces currency risk on mortgages by having the Partnership enter into foreign exchange forward contracts and include mortgage contract terms whereby the borrower is responsible for foreign exchange losses.

A weakening of the Canadian dollar against the US dollar by 5% would have resulted in an increase in net asset value of $0.06 (2017 – $0.07), assuming all other variables, including interest rates, remain constant. A strengthening would have resulted in an equal but opposite effect. The Partnership uses foreign exchange forward contracts to manage its exposure to foreign currency risks.

D) Capital risk management

The Fund manages capital to attain its objective of providing stable and secure cash distributions of income while preserving unitholders' equity. The Fund defines capital as being capital raised by issuing Fund units. The Fund intends to distribute its taxable income to unitholders, with the result that growth in the portfolio can only be achieved through the raising of additional equity capital and by utilizing the Partnership's available borrowing capacity.

The Fund raises equity capital on a monthly basis during periods where Romspen projects a greater volume of investment opportunities than the Fund's near-term capital would be sufficient to fund. In the event the Fund may have surplus equity capital, the trustees of the Fund have the right to redeem units held by unitholders or to declare a return of capital distribution.

The Partnership may borrow up to 35% of the book value of its mortgages. The primary purpose of the borrowing strategy is to ensure that the Fund's unitholders' capital is fully invested. The secondary purpose is to obtain a spread between the interest rates payable under its mortgage investments and its borrowings. As of March 31, 2018, the Partnership's borrowings totalled 9% (2017 – 8%) of the book value of its total investments and the Fund was in compliance with all covenants under its revolving loan facility.

12. Exemption from filing

The Fund is relying on the exemption obtained in National Instrument 81 106, Part 2.11 to not file their financial statements in SEDAR.

TRUSTEES & MANAGEMENT

Romspen's team of investment professionals is led by eight Managing Partners who collectively have over 250 years of finance and real estate experience. The investment team is supported by more than 30 professionals dedicated to the financial control, underwriting, legal and reporting matters of our business. The trustees and the management team are collectively the largest non-instutional investor in the Fund. This alignment is essential to preserving capital and generating strong consistent returns for all investors.

Romspen Mortgage Investment Fund

Sheldon Esbin
Trustee

Mark Hilson
Trustee

Arthur Resnick
Trustee

Wesley Roitman
Trustee

Romspen Investment Corporation

Sheldon Esbin
Managing General Partner

Mark Hilson
Managing General Partner

Wesley Roitman
Managing General Partner

Blake Cassidy
Managing Partner

Richard Weldon
Managing Partner

Arthur Resnick
Managing Partner

Peter Oelbaum
Managing Partner

Mary Gianfriddo
Managing Partner

Derek Jenkin
Partner

Arnie Bose
Senior Vice President, Finance

Lisa Calandra
Vice President, Investor Relations

Vitor Fonseca
Vice President and Treasurer

Joel Mickelson
Corporate Counsel

Dianna Price
Executive Vice President, Investor Relations

Romspen Investment Corporation FSCO licence #10172, 11600

UNITHOLDER INFORMATION

Units

The Fund units represent a beneficial ownership interest in the Romspen Mortgage Investment Fund. The Fund is an unincorporated closed-end investment trust and is the sole limited partner in the Romspen Mortgage Limited Partnership.

Distributions

Distributions on Fund units are payable on or about the 15th day of each month. The Fund intends to distribute its taxable earnings each year to the unitholders.

Distribution Reinvestment Plan

The distribution reinvestment plan provides unitholders a means to reinvest cash distributions in new units of the Fund. To participate, registered unitholders should contact Romspen.

Investor Relations Contact

Requests for the Fund's annual report, quarterly reports, or other corporate communications should be directed to:

Investor Relations
Romspen Mortgage Investment Fund
Suite 300, 162 Cumberland Street
Toronto, Ontario M5R 3N5
416-966-1100

Duplicate Communication

Registered holders of Romspen units may receive more than one copy of shareholder mailings. Every effort is made to avoid duplication, but when units are registered under different names and/or addresses, multiple mailings result. Unitholders who receive, but do not require, more than one mailing for the same ownership are requested to contact Investor Relations and arrangements will be made to combine the accounts for mailing purposes.

Auditors

KPMG LLP Chartered Accountants

Legal Counsel

Gardiner Roberts LLP

Website

www.romspen.com

ROMSPEN