
Romspen Mortgage Investment Fund Announces 2009 Results

Romspen's three year results through the financial crisis convincingly outperformed all other major asset classes and all of Canada's top mutual funds.

Toronto, April 22, 2010 - Romspen Mortgage Investment Fund, a leading non-bank mortgage lender specializing in commercial and industrial real estate, released its financial statements for the year ended December 31, 2009 today. The year 2009 proved to be a difficult period as the global economic downturn affected credit, liquidity and real estate values across the country. Despite the challenging economic environment, the Fund generated an 8.7 percent compounded return for its investors.

2009 Highlights

- The net mortgage portfolio decreased modestly by 4% in 2009 to \$476.0 million.
- Net income for 2009 was \$36.7 million, equal to 2008.
- Romspen's three year performance (2007-2009) during the most difficult investment environment of the past half century has outperformed the stock market, long bonds, T-bills and every one of the top 180 mutual funds in Canada.
- 2009 distributions to investors totalled \$0.84 per unit to yield a compounded return of 8.7 percent.
- The Fund's unitholder equity for all units outstanding grew to \$483 million at the end of 2009 compared to \$444 million for 2008.

"An important driver of Romspen's success has been our focus on a simple strategy based on capital preservation, absolute returns and consistency", says Mark Hilson, Managing General Partner of Romspen. "Effective execution of this long-standing strategy has produced excellent returns over all periods and, convincingly, over the past three very difficult years in the economy. Even though our absolute performance was below last year, and in fact our lowest return in the past decade, we continued to strongly outperform other fixed income alternatives in 2009 and remain decidedly ahead of other major asset class performance on a longer term basis."

2009 Results of Operations

Revenues for the year were stable at \$48.5 million in 2009 compared to \$49.9 million for 2008. For 2009, Romspen recorded net income of \$36.7 million or \$0.80 per unit compared to \$37.0 million or \$0.93 per unit in 2008. Investors held units totalling \$483.1 million compared to \$444.1 million last year. Net debt (debt less cash) at \$10.0 million or 2 percent of the net mortgage portfolio, was meaningfully reduced from last year's level of \$59.5 million or 12 percent of the net portfolio.

Comparative Performance

During 2009, Romspen's 8.7% return strongly outperformed T-bills and long bonds while the S&P/TSX performed strongly to recover the dramatic losses of the prior year. In the three most difficult investment years (2007-2009) in the past 50, Romspen's three year accumulated compound percent return of 32% outperformed the stock market (S&P/TSX) at -1%; long bonds at 12%; T-bills at 8%; and every one of the top 180 mutual funds in Canada. For a comparison of Romspen's short and long-term performance track record versus other investment classes, please see the Fund's website at: www.romspen.com.

Mortgage Portfolio

At December 31, 2009, the gross mortgage portfolio was \$485.7 million compared to \$500.8 million in 2008. As a precautionary measure, the Fund increased its loss reserves during 2009 to \$9.8 million from \$7.3 million at the end of 2008. This resulted in a net mortgage portfolio of \$476.0 million as at December 31, 2009 compared to \$493.6 million in 2008.

The Fund continues to focus on short-term cash flow mortgages with 91 percent of the mortgages maturing within one year and 100 percent maturing in less than two years. Geographic diversification continued as 45 percent of the mortgages were invested in Ontario, 47 percent in Western Canada, and 8 percent in other regions. The weighted average interest rate of the mortgage portfolio strengthened throughout the year to 12.2 percent compared to 11.9 percent as at December 31, 2008.

2009 Distributions

Unitholder distributions for 2009 were \$0.84 per unit compared to \$0.95 per unit in 2008. This yielded a compounded net return to investors of 8.7 percent in 2009 compared to 9.9 percent last year.

About the Fund

Romspen has a long-term track record of successful mortgage investing across Canada. With its origins in the mid-60's, Romspen is one of the largest non-bank commercial/industrial mortgage lenders in Canada. The Fund's investment mandate is focused on capital preservation, absolute returns of 10 percent and performance consistency. Our investors are high net-worth individuals, trusts and endowments. Through disciplined investing we have generated consistent returns of approximately 10 percent annually for our investors.

Over the past 10 years, Romspen has invested more than \$1 billion in over 600 mortgages and has consistently earned average annual returns of approximately 10 percent.

The 2009 Romspen Mortgage Investment Fund Annual Report including the Trustees' Report, Management's Discussion & Analysis, and the audited Financial Statements are available at: www.romspen.com.

This news release may contain forward-looking statements that are based on management's current expectations and are subject to known and unknown uncertainties and risks. These uncertainties and risks may cause actual results to differ materially from those contemplated or implied and readers are cautioned not to place undue reliance on these forward-looking statements. Romspen is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or otherwise.

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