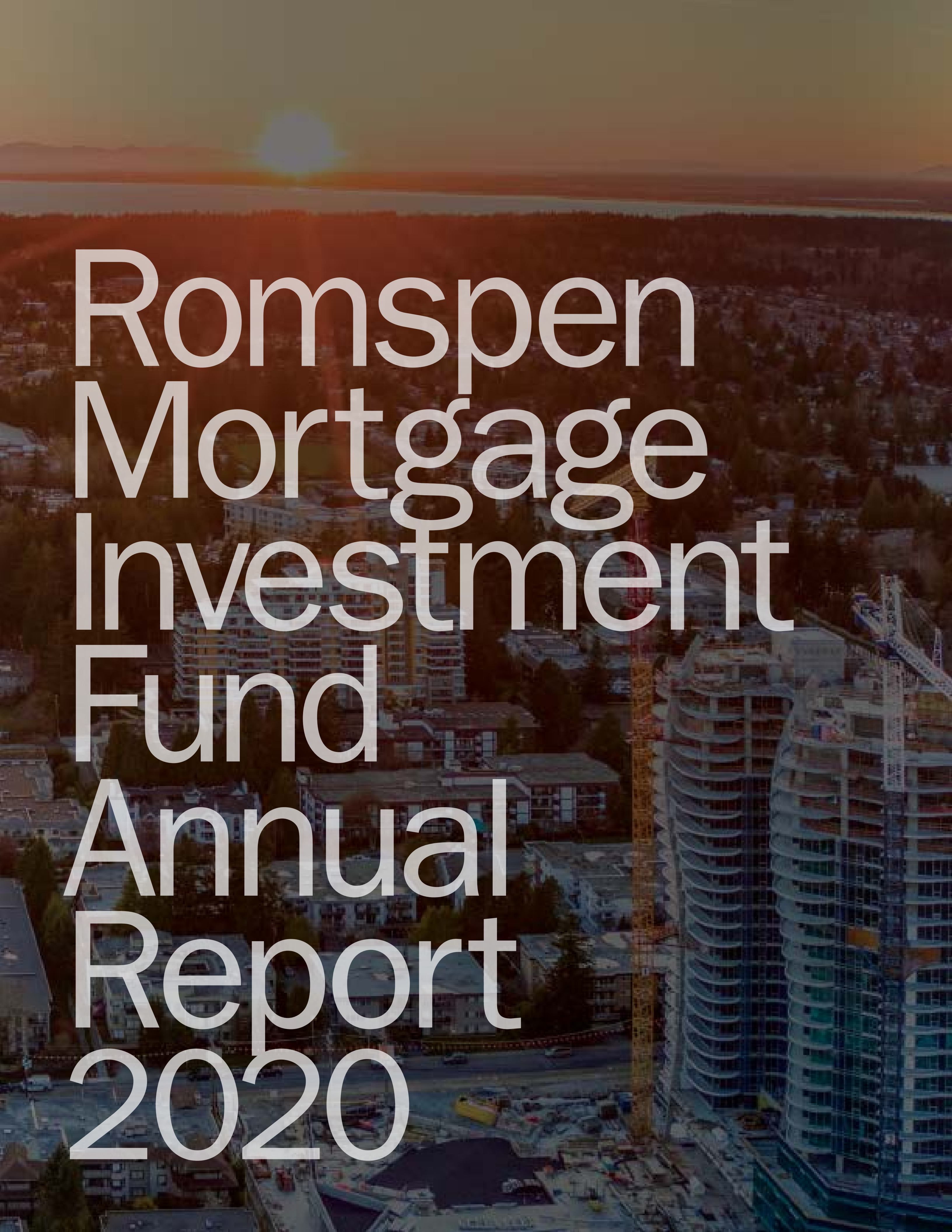


Romspen Mortgage Investment Fund Annual Report 2020

Our Business

Romspen has a long-term track record of successful mortgage investing. With its origins in the mid-1960s, Romspen is one of the largest non-bank commercial/industrial mortgage lenders in North America with a portfolio in excess of $2.9 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 25 consecutive years of net investor yields[1] ranging from 5.8% – 10.8%, with positive performance every month.

[1] Yield on distributions is calculated on a cash-on-cash basis, net of fees, and assumes a monthly reinvestment of distributions. It does not take into account income taxes, changes in unit values, third-party expenses or redemption charges.

Cover:
Landmark condominium development
under construction in
White Rock, British Columbia

Romspen Business & Principles

Investor Value

Our primary objective is to protect unitholder capital while providing a safe and consistent strong absolute cash return.

Commitment

Managers should be owners. As such, we have committed a significant portion of our net worth to the Fund and as a management group, are the largest non-institutional investor in the Fund.

Partnership

We work collaboratively with our borrowers and syndication partners to ensure mutual success, even through difficult and unforeseen circumstances.

Long-term Perspective

While we don't choose to own property, we make lending decisions on the assumption we would be comfortable owning a property for the value of the mortgage. Our intention is to achieve consistent long-term returns through mortgage lending by applying proven strategies for financial and real estate management.

Risk Management

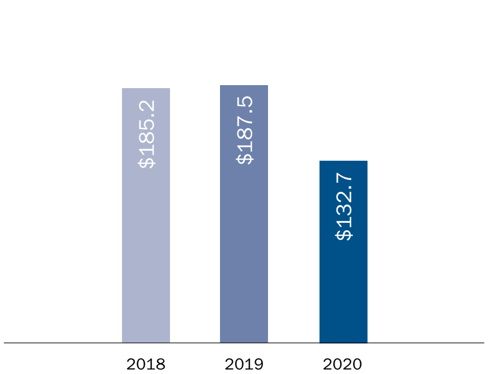
As managers, it is our responsibility to identify and manage the risk inherent with the mortgage portfolio. Rigorous property and borrower due diligence is fundamental to our lending decisions. Diversification by borrower, geography, property type and size is a deliberate strategy to smooth the effect of the business cycle over the long term.

Responsibility

It is our responsibility to provide forthright reporting to our unitholders at all times. We will communicate fully and promptly about problems and opportunities facing the Fund.

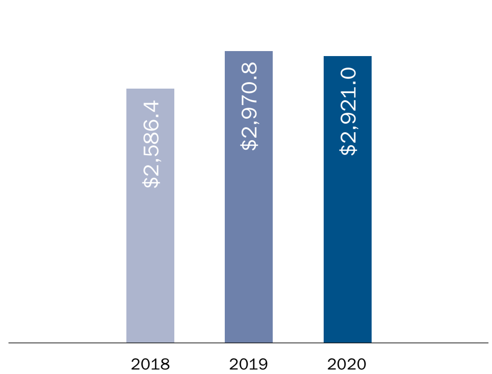
Key Metrics

Net Earnings ($ millions)



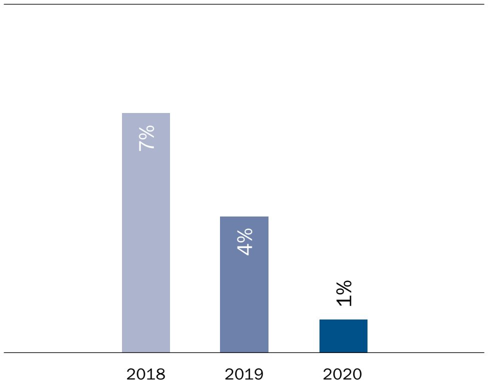
Lower net earnings

Net Investment Portfolio ($ millions)



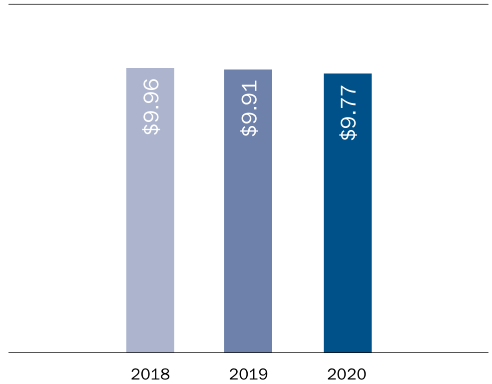
Stable portfolio

Net Leverage (% of investment portfolio)



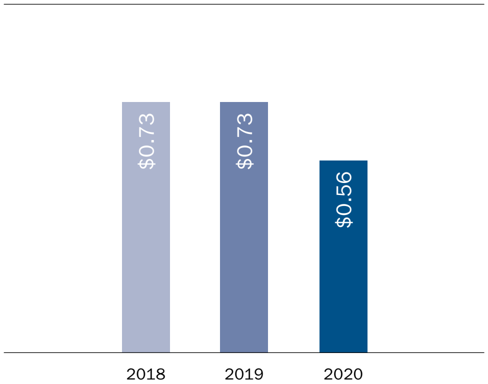
Low financial leverage

Net Asset Value ($/unit)



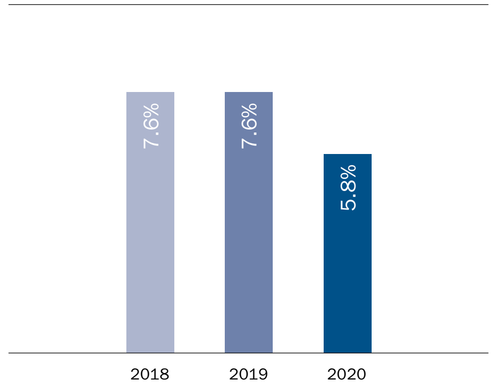
Modestly lower NAV

Unitholder Distributions ($/unit)



Moderately lower distributions

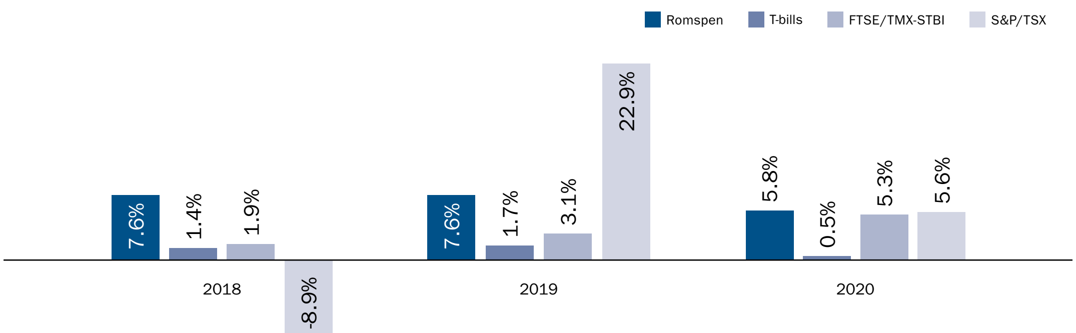
Unitholder Yield[1]



Moderately lower, but strong absolute yield

[1] Yield on distributions is calculated on a cash-on-cash basis, net of fees, and assumes a monthly reinvestment of distributions. It does not take into account income taxes, changes in unit values, third-party expenses or redemption charges.

Comparative Performance
Annual % Yield



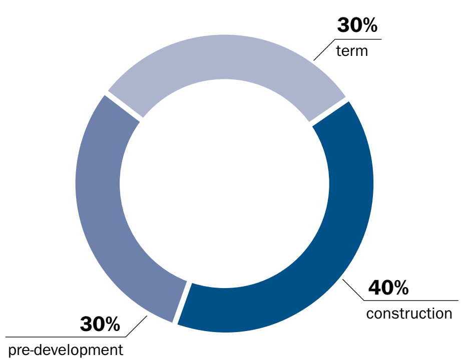
Solid outperformance

3 Year Accumulated Compounded Yield*		
	Romspen	23%
	T-bills	4%
	FTSE/TMX-STBI	11%
	S&P/TSX	18%

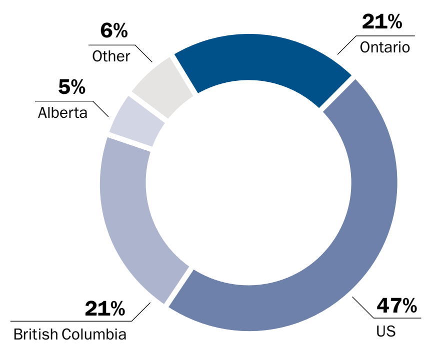
* Romspen yields are net; comparative benchmarks are gross returns.

Investment Portfolio Profile
As of December 31, 2020

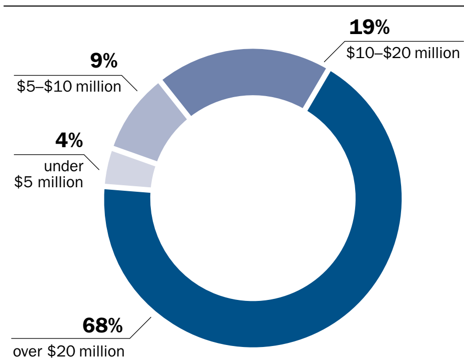
By Type



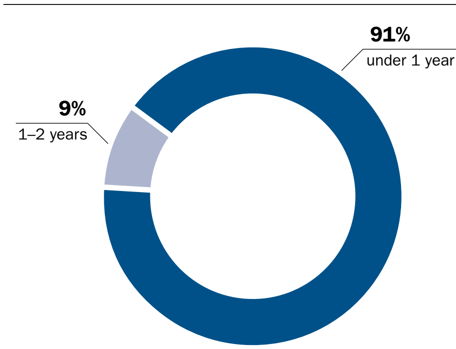
By Geography



By Amount



By Maturity



Well-diversified portfolio

Trustees' Letter

Dear Fellow Investors:

Last year was unquestionably the toughest for the world economy in the past 100 years, with virtually no region or industry left unaffected by the economic consequences of a public health crisis that created historic dislocation. In 2020, the Fund achieved a net yield of 5.8%, below our historical performance, but in line with expectations, given the continuing impact of COVID-19 disruptions. While our absolute performance was lower than historic trend, the Fund continued to outperform all of the comparative benchmarks. A full recovery from the global COVID-19 pandemic will take some time and many uncertainties and risks remain throughout the economy.

Financial Highlights

For the year ending December 31, 2020, the Fund earned net income of $132.7 million or $0.42 per unit compared to $187.5 million or $0.68 per unit in 2019. Earnings were 29% lower than in 2019 due to the negative impact of COVID-19 on mortgage interest collection and a significant increase in the loss provision. Distributions were $0.56 per unit and the net yield to investors was 5.8% for 2020, compared to $0.73 per unit and 7.6% in 2019, with positive performance each month across both years. Total provisions for credit losses were increased from $74.7 million to $136.6 million ($0.43 per unit) in the year to maintain a solid margin of safety. Actual losses of $4.3 million, across three mortgages, were realized during the year and charged against the provision previously established for these loans.

At December 31, 2020, the net portfolio (149 mortgages and investments) was $2.9 billion, a decrease of 2% compared to 2019. Investors' unit capital totalled $3.1 billion compared to $3.0 billion last year. The Fund's portfolio and earnings remain well diversified by property type, geography, size and currency. Net bank debt (debt less cash) was $43.1 million, or 1% of the net portfolio value, compared to net debt of $106.2 million, or 4% of the net portfolio value in 2019. The weighted average interest rate of the portfolio in 2020 was 10.2% compared to 10.4% last year.

Net Asset Value ("NAV") was $9.77 per unit compared to $9.91 per unit in 2019. Fluctuations arise as taxable income differs from accounting income due to differences in the treatment of loss reserves, non-accrued interest, foreign exchange hedging and other tax considerations. Approximately 90% of the Fund's foreign exchange exposure is hedged by either the borrowers directly, a US line of credit or through forward contracts.

Financial Presentation

Effective January 1, 2016, an amendment was made to the International Financial Reporting Standards, which results in an unconsolidated financial presentation of the Fund that provides limited insight into the true performance of the portfolio. To provide useful, transparent and comparable information, a set of combined financial statements, similar to previous reporting, has been included in the Management's Discussion and Analysis ("MD&A") (pp. 20-29). It is highly recommended that these financial statements in the MD&A be used as the primary reference point. We have established a US subsidiary, TIG Romspen US Master Mortgage LP, to isolate holdings of new US mortgages going forward, which is now shown as a separate line item on the balance sheet.

Economy, Markets & Portfolio

All aspects of the global economy were challenged by the sudden and unprecedented impact of COVID-19. As the gravity of the situation came into focus and realizing there was little ability to forecast or predict outcomes, we quickly pivoted to a highly defensive management approach from both a portfolio and individual mortgage perspective. As seasoned long-term investors, with experience through many market cycles and disruptions, we know the importance of patience, the value of a strong balance sheet and the benefits of diversification. These core investing principles proved critical in preserving value during a once-in-a-century event and ensured we were not forced sellers.

Portfolio-wise, we were somewhat insulated because we are a diversified first-mortgage fund with no structural leverage. We further enhanced this inherently defensive posture by quickly focusing on generating maximum liquidity within the portfolio. To ensure all commitments could be met, we limited new loan activity, sought to expedite payoffs and enforcements where feasible, dramatically reduced operating line debt and implemented a run-off pool structure to manage a redemption queue. A number of loans in the portfolio required modification by way of interest deferrals, maturity extensions and various forms of forbearance, which were common responses among all lenders with borrowers affected by the pandemic.

Canadian mortgages and investments represented $1.5 billion, or 53% of the portfolio, compared to $1.6 billion or 55% in 2019. The Canadian portfolio includes 77 mortgages with the largest concentration in Ontario (21%) and British Columbia (21%).

US mortgages and investments represented $1.4 billion (US$1.1 billion), or 47% of the portfolio in 2020, compared to $1.4 billion (US$1.1 billion), or 45% last year. The US portfolio includes 72 mortgages that are well diversified across 18 states, principally, Florida, Texas and California.

Non-performing loans increased to 27% of the portfolio in 2020. While higher than normal, this is not an unexpected consequence given the global economic disruption resulting from the pandemic. The rates at which we lend are predicated on the expectation that a certain percentage of the portfolio will become non-compliant despite our rigorous underwriting process, and more so in times of extreme economic stress. This is simply a feature of the financing niche in which we operate and does not necessarily lead to realized losses. Most often, these mortgages result in extended terms, foregone interest and increased administration, but typically do not involve losses of principal beyond those provided for. While counterintuitive, in some instances, non-performing loans can yield returns well in excess of the mortgage rate had the loan performed according to its terms, through collection of default interest or our taking ownership and developing the property. In the past decade, realized loan losses have amounted to $32.3 million on $7.0 billion of invested capital, or about 0.5%, a percentage that has remained relatively stable over time. Managing non-compliant mortgages effectively is a critical aspect of preserving capital, and generating strong, consistent returns over the long term. Our extensive experience in resolving these non-compliant mortgages successfully is a significant competitive advantage in the industry and represents a core operational capability within our business model.

Strategy & Investment Approach

We continue to adhere to the same business principles that have served the Fund since its founding and remain the cornerstone of our investment strategy. The Fund focuses on first mortgage loans secured by a diversified pool of real estate throughout Canada and the US. Our mandate remains focused on capital preservation, strong absolute returns and consistent performance. We strive to deliver positive returns to our investors regardless of the geopolitical or economic climate or the performance of equity or fixed income markets. Our mortgages are typically unconventional, complex, and by their very nature, illiquid, but produce strong absolute and comparative returns relative to traditional fixed income investments. While our absolute returns in 2020 were below our normal levels, even under the extreme economic stress that has persisted through COVID-19, our comparative results demonstrated solid performance. The benefit of our approach is further illustrated by an unbroken positive return track record over the past 25 years. A detailed profile of this performance is presented at the end of this report (pp. 51).

In the next section of this report, we demonstrate through some specific examples how we rapidly pivoted to a strong, defensive, risk-averse approach through 2020 to illustrate the evolution of our mortgage investment process under the unprecedented economic stress resulting from the global pandemic.

Strong Investment Track Record Continues

The Fund's 5.8% net yield in 2020 outperformed T-bills (0.5%), the FTSE/TMX Short-term Bond Index ("FTSE/TMX-STBI") (5.3%) and the S&P/TSX (5.6%). Looking at long-term performance over the past ten years to December 31, 2020, the Fund significantly outperformed all benchmarks with a cumulative net yield of 108%; compared to gross returns of 9% for T-bills; 28% for the FTSE/TMX-STBI and 75% for the S&P/TSX. Viewed simplistically, a $10.00 investment in January 2011 would have returned $10.80 to an investor in the Fund compared to only $0.90 in T-bills; $2.80 in the FTSE/TMX-STBI; and $7.50 in the S&P/TSX.

These results have been achieved consistently with positive returns each month over the past ten years, highlighting the Fund's conservative investing strategy. Our decision-making is always focused on finding optimal approaches for strong long-term performance of the portfolio, rather than short-term yearly results.

Outlook

Even with recent positive vaccine and treatment developments, the global pandemic and its impact are unlikely to fade in coming months or years. A full recovery will likely be delayed well into 2022, and although we are beginning to see encouraging positive developments, these will likely remain uneven across regions and industries.

Different sectors of the real estate market have been impacted in different ways. The need to socially distance has had a significant impact on office buildings, restaurants, retail stores, hotels and entertainment venues. Offices will continue to be the predominate workspace post-COVID, although footprint requirements will evolve in certain industries to accommodate hybrid work settings and work-from-home trends. We expect the retail and hotel sectors to experience a somewhat longer recovery with some capacity reductions and space repurposing as consumer habits change and some component of business travel is replaced by videoconference technologies. In contrast, the broadened appeal of online shopping has reinforced the already strong demand for warehousing and distribution centres, making the industrial sector one of the most resilient. This is further reinforced by the re-shoring of certain manufacturing operations back to North America. Single-family development, while initially impacted, has remained very strong, driven by an exodus of urban renters moving to the suburbs and beyond in search of more livable space to accommodate home offices, gyms and outdoor yards. As a general theme, many existing trends in the real estate industry were accelerated and advanced faster than would otherwise have been the case, perhaps by as much as 5-10 years.

On top of these trends, there is the impact of central bank monetary intervention resulting in record low interest rates, combined with government fiscal stimulus that is unprecedented and has led to record amounts of public debt. We expect interest rates to remain low compared to historical averages for some time.

Successfully resolving non-performing loans is, and remains, a major priority as the economy begins recovering from the pandemic. Our loan pipeline remains quite strong as the demand for capital in our space remains high, although with noticeable rate pressure in the Canadian market, but somewhat less so in the US.

With the worst of the crisis behind us, the combination of low interest rates, high fiscal stimulus, growing consumer confidence and significant pent-up demand should help underpin the value of the real estate collateral supporting our mortgages. We remain confident that as the economy emerges from this difficult period, we will continue to achieve reasonable investment returns, much as we have in past crises throughout Romspen's 54-year history. Our interests are as aligned as ever with those of our investors, as collectively, our team has over $100 million invested across Romspen's funds.

Respectfully submitted,

Sheldon Esbin **Mark Hilson** **Arthur Resnick** **Wesley Roitman**

Trustees of the Fund, April 8, 2021

The economically destructive impact of COVID-19 required a very different approach to portfolio and property management in 2020. Unable to accurately forecast the impact or duration of this unprecedented event, we adopted a highly defensive management posture focused almost exclusively on capital preservation. In addition, we needed to carefully manage existing commitments to construction projects already underway, as well as loan commitments in process and any new loans made throughout the year. Our entire organization rapidly pivoted to this defensive mindset, to ensure we could deliver the best possible outcomes for both our investors and borrowers under unusually adverse conditions. As expected, we had many more workout files than normal and the following examples profile a range of approaches we employed on a cross-section of our portfolio to manage workouts, existing commitments and new loans. These examples demonstrate the vast range of relationships and capabilities required to manage a diversified North American portfolio in our unique segment of the commercial mortgage market.

Background photo: Phoenix/Scottsdale metroplex

Phoenix/Scottsdale, Arizona

In the summer of 2018, Romspen provided a US$57 million mortgage, at a 12% interest rate, to finance the corporate reorganization of five well-located commercial development properties in the Phoenix/ Scottsdale metroplex (three illustrated here). Subsequently, the borrower proved difficult to work with, demonstrating an unrealistic approach and sense of value for selling the properties to repay our loan. Following ongoing defaults and our efforts to work cooperatively with the borrower, we petitioned the borrower into bankruptcy to realize on our security. As part of this legal process, a bankruptcy trustee was appointed and bids were solicited for the properties. Ultimately, a major developer successfully completed the purchase in early 2021. In the U.S., unlike Canada, we are able to charge default interest – and we successfully collected the full amount in this instance, as well as all of our capital, resulting in an overall return on this mortgage investment of 16%. As unusual as this might seem, the overall return on this defaulted and problematic loan was actually higher than the original mortgage interest rate had the loan performed through its term.

Phoenix/ Scottsdale Portfolio

In early 2018, Romspen entered into a US$10.4 million development mortgage with a successful repeat borrower secured by a 150-acre logistics development site and options on two further contiguous parcels totalling 306 acres in Woodland, California. The property was well positioned geographically, as a “last mile” location close to a large population base and benefited from two pervasive trends – the rise in online consumer shopping and re-shoring of manufacturing from Asian markets. The loan defaulted in late 2018 as the borrower experienced difficulties elsewhere in their portfolio. We subsequently requested, and were granted, additional collateral security from the borrower to ensure our capital was well protected. This borrower was highly capable, had strong end-user relationships and flawless integrity, which gave us strong comfort in working cooperatively for more than two years with them on various sale and refinancing solutions. On New Year’s Eve of 2020/21 a refinancing was successfully concluded and our loan fully repaid. Here again, we successfully collected all default interest, expenses and capital, resulting in a total return of 15%. Again, this return was well above the 11% mortgage rate that would have been earned had the loan performed according to its initial terms.

Compass Logistics


Woodland, California

Toronto, Ontario

Talara Apartments

An experienced borrower approached us in late March of 2020 for a $13 million mortgage to refinance an older, recently purchased 29-unit apartment building in Toronto, for which they had arranged a subsequent near-term sale to a developer for $19.5 million – in other words, a “quick flip”. The property, located just north of Highway 401, and in close proximity to both the Bayview and Sheppard subway stations, was an excellent site for higher-density redevelopment. The attractiveness of this mortgage was the quick third-party takeout purchase at a much higher price, the strong location and a trusted borrower. It was also a very safe investment that could be easily liquefied even in the challenging environment we were experiencing as COVID-19 took hold. Even though the pandemic allowed this opportunistic purchaser to renegotiate a lower than agreed to purchase price, and closing took longer than expected, our mortgage was fully repaid within the year when the sale closed.

This $191 million construction loan for a mixed-use condominium/retail/office development, comprising almost 600,000 square feet, in White Rock, BC, was well along as COVID-19 hit. Significant ongoing funding would be required well into 2021 to complete this complex, large scale development, with almost 80% of units presold. To be prudent, and to ensure we maintained maximum Fund-level liquidity, we chose to bring in some well-known partners to share the continued funding of the development. This allowed us to fully meet our commitments to the borrower and earn strong returns for our investors while adopting a highly cautious approach from a Fund-level concentration and liquidity perspective.

Landmark

White Rock, British Columbia


ROMSPEN

Montreal, Quebec

In mid-2016, Romspen provided a $13.4 million land acquisition and initial construction loan to a familiar client for the development of a mid-rise apartment building in Montreal. The property was well-located in the borough of Ahuntsic-Cartierville within easy walking distance of the Metro, numerous parks and a wide range of restaurants, boutiques and entertainment venues. The 126-unit complex included a fitness centre, rooftop amenities, unit balconies and underground parking. Halfway through construction, the borrower encountered significant cost increases and was financially extended at several other properties. Ultimately, Romspen had to take the project over through a bankruptcy filing, then act as the general contractor to complete the project (inset photo is at the time of bankruptcy) with additional funding, lease all of the units and sell it as a cash-flow-producing asset to an investor group in April 2020. On completion, our mortgage had grown to $30.2 million compared to a final sale price of $26.5 million, for a net loss of $3.7 million, despite collecting interest at an average rate of 11.5% over four years. Hence, despite a capital loss, the overall return on this mortgage over its term was 5.6%.

St-Laurent Apartments

In early 2020, before COVID-19 took hold, we provided a US$53 million loan commitment to support construction financing for the first phase of a seven-phase project encompassing commercial, retail and residential components in Lakeland, Tennessee. The project was well-located and backed by an experienced developer with meaningful net worth as a guarantor. Even though there were offers in place to lease most of the retail space, we worked with the borrower to downsize the loan amount to US$41 million by removing the more economically sensitive retail components, such as the cinema and tenants with weaker credit, from the mix. This allowed the majority of the first phase to move forward, while reducing our exposure to the retail components most exposed to the negative effects of COVID-19.

Retail Buildout

Lakeland, Tennessee

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 year ended December 31, 2020 included herein and the audited financial statements and MD&A for the year ended December 31, 2019. 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 year ended December 31, 2020.

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 and annual MD&A, Fund presentations and other Fund communications.

Forward-looking statements include, but are not limited to, business objectives and targets, 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 markets 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, disruptions from the outbreak of viruses and pandemics, competition, and technological change.

The preceding list of possible factors is not exhaustive. 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 are no longer deductible in computing a SIFT's taxable income and a SIFT is 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 are not 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.

Portfolio

As of December 31, 2020, the Fund's mortgage and investment portfolio (the "Portfolio"), net of fair value provisions, was $2.9 billion compared to $3.0 billion at December 31, 2019. This decrease of $0.1 billion or 2% reflects the higher provision for credit losses compared to the previous year. The Portfolio included 149 mortgages and investments versus 163 at the same time last year.

Approximately 94% of the Portfolio was invested in first mortgages at December 31, 2020 (December 31, 2019 – 99%). The weighted average interest rate of the Portfolio was 10.2%, compared to 10.4% a year ago.

The Portfolio continues to consist mainly of short-term mortgages to third parties and mortgages to the Fund's subsidiaries. Approximately 91% of the Portfolio's investments mature within one year (December 31, 2019 – 82%) and 100% mature within two years (December 31, 2019 – 93%). In addition, all our mortgages are open for repayment prior to maturity. The short-term nature of the Portfolio permits opportunities to continually and rapidly evolve 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 December 31, 2020, approximately 21% of our investments were in Ontario, the same as a year ago. Approximately 26% of the Portfolio was invested in Western Canada, 6% in other provinces and 47% 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 December 31, 2020 were $136.6 million, which represented 4% of the original cost of the Fund's investments or $0.43 per unit outstanding as at December 31, 2020. During 2020, the Fund realized $4.3 million of losses in the Portfolio for which provisions had been made. The establishment of the fair value provision is based on facts and interpretation of circumstances relating to the Portfolio. Thus, it is a complex and dynamic process influenced by many factors. The provision relies on the judgment and opinions of individuals on historical trends, prevailing legal, economic and regulatory trends, and 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

In an effort to continue to provide valuable, transparent and comparable information, a set of non-IFRS combined financial statements is provided in the following pages, consistent with past reporting practices. It is highly recommended that the following unaudited financial statements in the MD&A continue to be used as the primary reference point.

Combined Balance Sheet

December 31, 2020, with comparative information for 2019

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

(In thousands of dollars, unless otherwise noted)	2020	2019
Assets		
Cash	$ 85,051	$ 12,848
Accrued interest receivable	168,050	109,923
Mortgage investments	1,909,989	2,020,032
Investment in subsidiaries	481,131	496,357
Investment in TIG Romspen US Master Mortgage LP	559,754	470,017
Foreign exchange forward contracts	48,009	18,225
Other assets	8,997	7,521
	$ 3,260,981	$ 3,134,923
Liabilities and Unitholders' Equity		
Revolving loan facility	$ 128,196	$ 119,000
Accounts payable and accrued liabilities	4,910	3,319
Prepaid unit capital	–	4,522
Unitholders' distributions payable	15,991	18,129
	149,097	144,970
Units submitted for redemption	39,700	29,821
Unitholders' equity	3,072,184	2,960,132
	$ 3,260,981	$ 3,134,923

Combined Statement of Earnings

Year ended December 31, 2020, with comparative information for 2019

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)	2020	2019
Revenue		
Mortgage interest	$ 204,972	$ 214,056
Income from investment in TIG Romspen US Master Mortgage LP	38,374	31,361
Other	5,243	4,263
Realized gain (loss) on foreign exchange	(5,512)	(6,008)
Unrealized gain (loss) on foreign exchange	(2,814)	(11,500)
	240,263	232,172
Expenses		
Management fees	26,814	23,805
Interest	9,611	4,904
Change in fair value of mortgage investments and investment in subsidiaries	61,900	4,699
Realized loss on mortgage investments	4,309	7,236
Other (gains) losses	962	(239)
Audit fees	361	327
Legal fees	13	47
Other	3,554	3,897
	107,524	44,676
Net earnings	$ 132,739	$ 187,496
Net earnings per unit	$ 0.42	$ 0.68
Weighted average number of units issued and outstanding	314,154,539	276,100,195

Combined Statement of Changes in Unitholders' Equity

Year ended December 31, 2020, with comparative information for 2019

Below is the combined statement of changes in 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)	2020	2019
Unit capital		
Balance, beginning of year	$ 2,985,145	$ 2,445,464
Issuance of units	224,174	694,637
Redemption of units	(59,158)	(139,728)
Decrease (increase) in units submitted for redemption	(9,879)	(15,228)
Balance, end of year	$ 3,140,282	$ 2,985,145
Cumulative earnings		
Balance, beginning of year	$ 1,153,551	$ 966,055
Net earnings	132,739	187,496
Balance, end of year	$ 1,286,290	$ 1,153,551
Cumulative distributions to unitholders		
Balance, beginning of year	$ (1,178,564)	$ (977,092)
Distributions to unitholders	(175,824)	(201,472)
Balance, end of year	$ (1,354,388)	$ (1,178,564)
Unitholders' equity	$ 3,072,184	$ 2,960,132
Units issued and outstanding, excluding units submitted for redemption	314,450,684	298,825,757

Combined Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

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

(In thousands of dollars, unless otherwise noted)	2020	2019
Cash provided by (used in):		
Operations		
Net earnings	$ 132,739	$ 187,496
Items not affecting cash:		
Amortization of revolving loan facility financing costs	496	420
Change in fair value of mortgage investments and investment in subsidiaries	61,900	4,699
Income from investment in TIG Romspen US Master Mortgage LP	(4,731)	(4,702)
Realized loss on mortgage investments	4,309	7,236
Unrealized loss on foreign exchange	2,814	11,500
Amortization of discount	–	(1,999)
Other (gains) losses	962	(239)
Change in non-cash operating items:		
Accrued interest receivable	(58,928)	(27,946)
Other assets	(2,741)	(2,316)
Accounts payable and accrued liabilities and unitholders' distributions payable	1,575	(1)
	138,395	174,148
Financing		
Proceeds from issuance of units	142,636	591,261
Distributions paid to unitholders	(96,424)	(97,181)
Redemption of units	(59,158)	(139,728)
Prepaid unit capital	(4,522)	1,347
Change in revolving loan facility	12,328	(68,032)
	(5,140)	287,667
Investments		
Funding of mortgage investments	(517,130)	(956,631)
Discharge of mortgage investments	562,743	717,493
Net funding of investment in subsidiaries	(5,616)	(53,719)
Net funding of investment in TIG Romspen US Master Mortgage LP	(101,049)	(168,593)
	(61,052)	(461,450)
Increase (decrease) in cash	72,203	365
Cash, beginning of year	12,848	12,483
Cash, end of year	$ 85,051	$ 12,848

Quarterly Financial Information 2020

Detailed financial information by quarter for 2020 is outlined in the table below:

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

	Dec. 31	Sept. 30	Jun. 30	Mar. 31
Total revenue excluding foreign exchange gain (loss)	$ 64.7	$ 62.4	$ 55.9	$ 65.6
Unrealized foreign exchange gain (loss)	(20.7)	(11.6)	16.3	13.2
Realized foreign exchange gain (loss)	10.4	7.5	(24.9)	1.5
Interest expense and deferred financing costs	1.8	2.5	3.3	2.0
Net interest income	52.6	55.8	44.0	78.3
Management fees and other expenses	7.3	7.9	7.7	7.8
Fair value provision on investment portfolio and losses	15.6	23.4	16.3	6.6
Realized losses on investment portfolio	1.0	0.9	0.4	2.0
Other losses (gains)	(0.6)	0.3	0.2	1.2
Net earnings	29.3	23.3	19.4	60.7
Per unit – net earnings	$ 0.09	$ 0.07	$ 0.06	$ 0.20
– distributions	$ 0.15	$ 0.13	$ 0.12	$ 0.16
Trailing 12-month compounded return[1]	5.8%	6.1%	6.8%	7.4%
Revolving loan net of cash as a percentage of net mortgages[1]	1%	5%	7%	6%

[1] These are non-IFRS financial measures (see "Non-IFRS Financial Measures").

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:

(In thousands of dollars)

Name	Ownership	Description	Location	Dec. 31, 2020
Guild	100%	Office complex	CA	$ 18,831
Camperdown	100%	Land for residential development	CA	1,346
Aspen Lakes	100%	Residential development	CA	13,833
Almonte	50%	Retail plaza	CA	5,716
Bear Mountain	100%	Office complex	CA	4,727
Liberty Ridge	100%	Residential subdivision	CA	61,263
Beach One	100%	Commercial development	CA	1,555
Planetwide	100%	Land for residential development	CA	4,808
Royal Oaks	100%	Residential subdivision	CA	12,160
Haldimand	100%	Landfill	CA	31,928
High Street	100%	Commercial/Residential	CA	24,307
Egreen	100%	Land for industrial development	CA	1,496
Carolina Golf	100%	Golf courses	US	53,199
LE Ranch	100%	Residential	US	20,930
Springville	100%	Land for commercial development	US	21,404
Big Nob	100%	Land for residential development	CA	13,541
RIC (Kash)	100%	Land for residential development	CA	211
Midland	100%	Land for residential development	CA	26,319
Kettle Creek	100%	Land for residential development	CA	57,653
Langford Lake	100%	Land for residential development	CA	32,509
Ponderosa	80%	Land for residential development	CA	44,314
Drought	100%	Land for residential development	CA	11,321
Northern Premier	100%	Land for industrial development	CA	10,448
Hampton Circle	100%	Residential construction	CA	4,901
Southpoint Landing	100%	Residential	CA	1,289
RIC Hampton Inc.	100%	Commercial	CA	11,192
Environmaster	100%	Environment and recycling	CA	34,040
Kawartha Downs	100%	Leisure and entertainment	CA	16,478
Nisku	100%	Industrial predevelopment	CA	12,280
				$ 553,999
		Fair Value Adjustment		(72,868)
				$ 481,131

Income Statement Highlights

Total revenues for the year ended December 31, 2020 were $240.3 million compared to $232.2 million in the previous year.

Net earnings for the year were $132.7 million compared to $187.5 million for the prior year. Basic weighted average earnings per unit for the year were $0.42 per unit compared to $0.68 last year.

For the year ended December 31, 2020, the Fund distributed $175.8 million or $0.56 per unit versus $201.5 million or $0.73 per unit the prior year. The simple and compounded net yield to unitholders for the year ended December 31, 2020 were 5.7% and 5.8% respectively.

Provision for losses on the Portfolio value reflected an increase of $61.9 million in 2020 while realized losses were $4.3 million compared to $7.2 million in the prior year. Management and other fees payable to the Fund Manager and other general and administrative expenses of the Fund were $30.7 million for the year ended December 31, 2020 compared to $28.1 million in the prior year. These expenses were marginally higher than the previous year and reflect the larger Portfolio value.

Total revenues for the quarter ended December 31, 2020 were $54.4 million compared to $66.2 million in the fourth quarter of 2019.

Net earnings after expenses for the fourth quarter were $29.3 million compared to $55.3 million for the quarter ended December 31, 2019. Basic weighted average earnings per unit for the three months ended December 31, 2020 were $0.09 compared to $0.18 in the prior year.

Management fees payable to the Fund Manager and other general and administrative expenses of the Fund were $7.3 million for the quarter, the same as in the fourth quarter of 2019.

For the three-month period ended December 31, 2020, the Fund distributed $47.7 million or $0.15 per unit, versus $53.5 million or $0.18 per unit for the three months ended December 31, 2019.

Balance Sheet Highlights

Total assets as of December 31, 2020 were $3.3 billion compared to $3.1 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. In addition, the Fund had $85.1 million of excess cash at year end.

Total liabilities excluding units submitted for redemption as of December 31, 2020 were $149.1 million compared to $145.0 million a year earlier. Liabilities at the end of the year were comprised mainly of a $128.2 million line of credit and $20.9 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 add to 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 $43.1 million (1% of the net Portfolio) at year end versus $106.2 million (4% of the net Portfolio) a year ago.

Unitholders' equity plus units submitted for redemption as of December 31, 2020 were $3.1 billion compared with $3.0 billion as of December 31, 2019. The increase is primarily from proceeds of issuances of $224.2 million in excess of redemptions of $59.2 million during the previous 12 months. There was a total of 318,514,154 units outstanding on December 31, 2020 compared to 301,836,184 on December 31, 2019. 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 raising 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 December 31, 2020, borrowings totalled approximately 4% of the book value of investments held by the Fund, same as of December 31, 2019.

For the year ended December 31, 2020, proceeds from the issuance of units net of redemptions and costs were $165.0 million compared to $554.9 million in 2019.

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.

Related Party Transactions

Romspen acts as the 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 financial statements.

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

COVID-19 has sparked the biggest global social, economic and health crisis of the past century. Economic recovery remains uneven and there are many uncertainties as to what the recovery will look like and how long it will take. Nonetheless, the worst has passed and encouraging positive developments are beginning to take shape, supported by increasing consumer confidence, record low interest rates and significant fiscal stimulus from all levels of government.

Real estate markets that underpin our mortgages will continue to adapt and evolve over the next several years in response to changes in consumer behaviour and expectations as a result of the pandemic. In many ways, the pandemic has acted as a catalyst for change, to accelerate already existing trends or to cull marginal players or reinforce the position of dominant participants.

Office buildings, retail stores, hotels and entertainment venues will likely be most affected taking many forms from footprint reductions and layout changes, to repurposing and the evolution of hybrid work arrangements and alternative distribution methods. The extent and timing is largely a function of industry and location.

Housing and industrial-related real estate will be most resilient and likely the principal growth sectors over the next while as these segments are already growing strongly. They will continue to benefit from four strong trends including the desire by consumers for more space, increased prevalence of the work-from-home model, growth in online shopping and re-shoring of certain manufacturing operations back to North America.

Underscoring all asset classes, real estate included, are record low interest rates, government fiscal stimulus and central bank liquidity measures. In many ways the combination of these factors, to this degree, is both unique in economic history and artificial. There is genuine concern that this extreme combination ensures the mispricing of most assets, which could manifest itself quite violently when this stimulus is removed. Low interest rates, negative interest rates, record high stock market valuations, rapid changes in housing prices, property bidding wars, and a panoply of SPAC's and other exotic financial products are all a manifestation of this and clear red flags. Certain sectors of the real estate market, in particular regions, are experiencing these excess valuations as well and warrant caution.

Resolving non-performing loans remains a priority as the economy emerges from the pandemic. The demand for capital in our lending space at high rates remains quite strong. In the immediate term, low interest rates, fiscal stimulus, growing consumer confidence and strong pent-up demand should support a meaningful economic upturn later in 2021 and continuing well into 2022 as the pandemic impact ebbs with the vaccine rollout. We are confident that as the economy emerges from COVID-19, we will continue to achieve solid investment returns, much as we have in past crises throughout Romspen's 54-year history.

Financial Statements

Romspen Mortgage Investment Fund

And Independent Auditors' Report thereon

Year ended December 31, 2020

Independent Auditors' Report

To the Unitholders of Romspen Mortgage Investment Fund

Opinion

We have audited the accompanying financial statements of the Romspen Mortgage Investment Fund (the "Fund"), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of comprehensive income for the year then ended
- the statement of changes in unitholders' equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "2020 Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

The information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "2020 Annual Report" is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we concluded that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
April 1, 2021

Statement of Financial Position

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

December 31, 2020, with comparative information for 2019

		2020		2019
Assets				
Cash	$	152	$	4,591
Investment in Romspen Mortgage Limited Partnership, at fair value through profit or loss (note 3)		3,128,570		3,008,704
Other assets		2		1
	$	3,128,724	$	3,013,296
Liabilities and Unitholders' Equity				
Liabilities:				
Accounts payable and accrued liabilities	$	849	$	692
Prepaid unit capital		–		4,522
Unitholders' distributions payable		15,991		18,129
		16,840		23,343
Units submitted for redemption (note 4)		39,700		29,821
Unitholders' equity (note 4)		3,072,184		2,960,132
Commitments and contingent liabilities (note 9)				
	$	3,128,724	$	3,013,296
Net asset value per unit (note 5)	$	9.77	$	9.91

See accompanying notes to financial statements.

Approved by the Trustees:

“Wesley Roitman” Trustee

“Mark Hilson” Trustee

Statement of Comprehensive Income

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

Year ended December 31, 2020, with comparative information for 2019

		2020		2019
Income from investment in Romspen Mortgage Limited Partnership:				
Distributions from Romspen Mortgage Limited Partnership	$	94,286	$	98,096
Unrealized appreciation in net assets of Romspen Mortgage Limited Partnership (note 3)		49,416		99,009
		143,702		197,105
Expenses:				
Management fees (note 8(a))		8,849		7,856
Audit fees		361		327
Legal fees and other		1,753		1,426
		10,963		9,609
Net income and comprehensive income	$	132,739	$	187,496
Net income and comprehensive income per unit (note 5)	$	0.42	$	0.68
Weighted average number of units issued and outstanding (note 5)		314,154,639		276,100,195

See accompanying notes to financial statements.

Statement of Changes in Unitholders' Equity

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

Year ended December 31, 2020, with comparative information for 2019

		2020		2019
Unit capital:				
Balance, beginning of year	$	**2,985,145**	$	2,445,464
Issuance of units (note 4)		**224,174**		694,637
Redemption of units (note 4)		**(59,158)**		(139,728)
Increase in units submitted for redemption		**(9,879)**		(15,228)
Balance, end of year	$	**3,140,282**	$	2,985,145
Cumulative earnings:				
Balance, beginning of year	$	**1,153,551**	$	966,055
Net income and comprehensive income		**132,739**		187,496
Balance, end of year	$	**1,286,290**	$	1,153,551
Cumulative distributions to unitholders:				
Balance, beginning of year	$	**(1,178,564)**	$	(977,092)
Distributions to unitholders (note 6)		**(175,824)**		(201,472)
Balance, end of year	$	**(1,354,388)**	$	(1,178,564)
Unitholders' equity	$	**3,072,184**	$	2,960,132
Units issued and outstanding, excluding units submitted for redemption		**314,450,684**		298,825,757

See accompanying notes to financial statements.

Statement of Cash Flows

(In thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Net income and comprehensive income	$ 132,739	$ 187,496
Items not affecting cash:		
Unrealized appreciation in net assets of Romspen Mortgage Limited Partnership (note 3)	(49,416)	(99,009)
Change in non-cash operating items:		
Accounts payable and accrued liabilities, unitholders' distributions payable and other assets	156	(866)
	83,479	87,621
Financing:		
Proceeds from issuance of units (note 4)	142,636	591,261
Distributions paid to unitholders (note 6)	(96,424)	(97,181)
Redemption of units (note 4)	(59,158)	(139,728)
Prepaid unit capital	(4,522)	1,347
	(17,468)	355,699
Investments:		
Net funding of investment in Romspen Mortgage Limited Partnership (note 3)	(70,450)	(441,923)
Increase (decrease) in cash	(4,439)	1,397
Cash, beginning of year	4,591	3,194
Cash, end of year	$ 152	$ 4,591

See accompanying notes to financial statements.

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

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 Partnership's investments include mortgage investments, investment in subsidiaries and investment in TIG Romspen US Master Mortgage LP ("USMLP"). 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.

As of December 31, 2020, the Partnership indirectly owns 76.06% (2019 – 76.69%) of USMLP. Romspen Investment Corporation ("Romspen") is the Fund's mortgage manager and acts as the primary loan originator, underwriter and syndicator for the Partnership. Romspen US Master Mortgage GP LLC ("Master General Partner") is the manager of USMLP and a subsidiary of Romspen.

The Fund commenced operations on January 16, 2006. These financial statements and accompanying notes have been authorized for issue by the trustees of the Fund (the "Trustees") on April 1, 2021.

1. Basis of presentation

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

The financial statements are measured and presented in Canadian dollars ("CAD"); amounts are rounded to the nearest thousand, unless otherwise stated. The 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 accounts for its investment in the Partnership at FVTPL. 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 at December 31, 2020 that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities in the next financial year is included in note 3.

B) Judgment

Judgment has been made in applying accounting policy regarding accounting for the Fund's investment in the Partnership. Although the Fund owns 99.99% of the Partnership, management has determined that the Fund has no control over the Partnership, as there is no strong linkage between the power that the Fund has over the Partnership and the Fund's variability in returns from the Partnership. The Fund accounts for its investment in the Partnership at fair value.

C) Net income and comprehensive income per unit

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

D) Prepaid unit capital

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

E) 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, cancelled, or expired.

Financial assets and liabilities	Classification
Cash	Amortized cost
Investment in the Partnership	FVTPL
Accounts payable	Amortized cost
Prepaid unit capital	Amortized cost
Unitholders' distribution payable	Amortized cost

Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Year ended December 31, 2020

3. Supplemental information regarding Partnership at FVTPL

The Fund owns 99.99% of the Partnership's non-voting units and accounts for its investment in the Partnership at fair value. The Partnership is not consolidated by the Fund.

Schedule of the Fund's investment in the Partnership:

	2020	2019
Investment balance, beginning of year	$ 3,008,704	$ 2,467,772
Funding of investment in the Partnership	70,450	441,923
Unrealized appreciation in net assets of the Partnership	49,416	99,009
Investment balance, end of year	$ 3,128,570	$ 3,008,704

The Partnership's statement of financial position and results of operations prepared on a fair value basis are provided below:

Statement of non-consolidated financial position on a fair value basis:

	2020	2019
Assets		
Cash	$ 84,899	$ 8,257
Accrued interest receivable	168,050	109,923
Mortgage investments (note 3(b))	1,909,989	2,020,032
Investment in subsidiaries (note 3(c))	481,131	496,357
Investment in USMLP (note 3(d))	559,754	470,017
Foreign exchange forward contracts (note 3(f))	48,009	18,225
Other assets	8,995	7,520
	$ 3,260,827	$ 3,130,331
Liabilities and Unitholders' Equity		
Liabilities:		
Revolving loan facility (note 3(e))	$ 128,196	$ 119,000
Accounts payable and accrued liabilities	4,061	2,627
	132,257	121,627
Fair value of net assets attributable to unitholders of the Partnership	3,128,570	3,008,704
	$ 3,260,827	$ 3,130,331

Statement of non-consolidated comprehensive income on a fair value basis:

	2020	2019
Revenue:		
Mortgage interest	$ 199,600	$ 206,564
Income from subsidiaries	5,372	7,492
Income from investment in USMLP (note 3(d))	38,374	31,361
Other	5,243	4,263
Realized loss on foreign exchange (note 3(f))	(5,512)	(6,008)
Unrealized loss on foreign exchange (note 3(f))	(2,814)	(11,500)
	240,263	232,172
Expenses:		
Management fees (note 8(b))	17,965	15,949
Interest	9,611	4,904
Change in fair value of mortgage investments and investment in subsidiaries	61,900	4,699
Realized loss on mortgage investments	4,309	7,236
Other losses (gains)	962	(239)
Legal fees and other	1,814	2,518
	96,561	35,067
Comprehensive income	$ 143,702	$ 197,105

A) Basis of presentation and measurement for the Partnership

I) Mortgage investments All mortgages have been accounted at FVTPL. Mortgage investments are recorded at fair value reflected in the Partnership's statement of income.

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) Investment in subsidiaries Entities are formed by the Partnership to obtain legal title of the foreclosed underlying security of defaulted mortgage investments. The assets, liabilities, revenues and expenses of these entities are not reflected in the non-consolidated financial statements of the Partnership, but rather the Partnership chooses to account for such investments in subsidiaries at fair value. Upon foreclosure, the carrying value of the mortgage investment, which comprises principal, accrued interest, enforcement costs and a fair value adjustment that reflects the fair value of the underlying mortgage security, is derecognized from mortgage investments and an investment in subsidiary is recognized at fair value. At each reporting date, the Partnership uses management's best estimates to determine fair value of the subsidiaries (note 3(c)).

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

III) Investment in USMLP The Partnership indirectly owns 76.06% of USMLP as at December 31, 2020 (2019 – 76.69%). The Partnership does not consolidate USMLP, Liberty LP or Intermediate LP and accounts for its investment in USMLP at FVTPL.

The fair value of the Partnership's investment in USMLP is the amount of net assets attributable to the unitholders of USMLP.

IV) Interest income Interest income, funding and participation fees are recognized separately from the fair value changes.

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 comprehensive income. All unrealized foreign exchange gains and losses on each item within the statement of financial position are included in unrealized foreign exchange gain/loss on the Partnership's statement of comprehensive income.

VII) Financial assets and financial liabilities
The Partnership's designations are as follows:

a) Mortgage investments and accrued interest receivable are designated as FVTPL, categorized into Level 3 of the fair value hierarchy.

b) Investment in subsidiaries and USMLP are designated as FVTPL and categorized into Level 3 of the fair value hierarchy.

c) Other assets, revolving loan facility, accounts payable and accrued liabilities, prepaid unit capital, unitholders' distributions payable and units submitted for redemption are classified and are measured at amortized cost.

Financial assets classified as FVTPL are carried at fair value on the statement 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 investment in subsidiaries)
The following is a summary of the mortgages:

			2020	2019
	Number of mortgages	**Original cost**	**Fair value**	Fair value
First mortgages	**83**	**$ 1,815,674**	**$ 1,751,952**	$ 2,020,032
Second mortgages	**3**	**158,037**	**158,037**	–
		$ 1,973,711	**$ 1,909,989**	$ 2,020,032

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

A reconciliation of the mortgage investments is as follows:

	2020	2019
Investments balance, beginning of year	**$ 2,020,032**	$ 1,892,407
Funding of mortgage investments(i)	**517,130**	956,631
Discharge of mortgage investments	**(562,743)**	(717,493)
Non-cash transfer to investment in subsidiaries	**–**	(69,013)
Unrealized gain (loss) in the value of investments	**(50,342)**	7,744
Realized loss on investments	**(2,289)**	(7,236)
Amortization of discount	**–**	1,999
Foreign currency adjustment on investments(i)	**(11,799)**	(45,007)
Investments balance, end of year	**$ 1,909,989**	$ 2,020,032

(i) Includes non-cash transfer from investment in subsidiaries (net of foreign currency adjustments), see note 8(h).

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.

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.

Pursuant to certain lending agreements and subject to borrowers meeting certain funding conditions, the Partnership funded commitments of $70,360 (2019 – $80,961) during 2020 by capitalizing future interest relating to existing mortgage investments.

The mortgage investments portfolio bears interest at a weighted average rate of 11.00% (2019 – 11.31%).

As at December 31, 2020, there are seven mortgage loans that account for 12.59% (2019 – 12.31%) of the principal balance of the Partnership’s mortgage investments (excluding investment in USMLP) issued to a single borrower (2019 – one).

Principal repayments based on contractual maturity dates are as follows:

Overhold	**$ 585,811**
2021	**1,149,263**
2022	**238,637**
	$ 1,973,711

Included in the overhold 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) Investment in subsidiaries

	2020	2019
Investment in subsidiaries at cost	**$ 553,999**	$ 557,667
Fair value adjustment	**(72,868)**	(61,310)
	$ 481,131	$ 496,357

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

A reconciliation of investment in subsidiaries is as follows:

	2020	2019
Investments balance, beginning of year	**$ 496,357**	$ 381,893
Funding in investments	**30,757**	91,506
Sale of investments(i)	**(25,141)**	(37,787)
Non-cash transfer from mortgage investments	**–**	69,013
Net unrealized loss in the fair value of investments	**(11,558)**	(12,443)
Realized loss on investments	**(2,020)**	–
Foreign currency adjustment on investments(i)	**(7,264)**	4,175
Investments balance, end of year	**$ 481,131**	$ 496,357

(i) Includes non-cash transfer from investment in subsidiaries (net of foreign currency adjustments), see note 8(h).

The fair value of the Partnership’s investment 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.

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

D) The Partnership's investment in USMLP at FVTPL

USMLP was formed on December 22, 2017 to conduct lending activities in the United States with the sole objective to provide stable and secure cash distributions of income, while preserving partners' equity. USMLP is managed by Romspen US Master Mortgage GP LLC ("Master General Partner") and the Manager.

As at December 31, 2020, the Partnership indirectly owns 76.06% (2019 – 76.69%) of USMLP, through Liberty LP and the Intermediate LP.

Schedule of investment in USMLP:

	2020	2019
Investment balance, beginning of year	$ 470,017	$ 324,069
Funding of investment in USMLP	101,049	168,593
Partnership's share in USMLP net income	38,374	31,361
Realized foreign currency adjustment on transfer	–	3,967
Dividend received from USMLP	(33,643)	(30,626)
Foreign currency adjustment on investment	(16,043)	(27,347)
Investment balance, end of year	$ 559,754	$ 470,017

USMLP is not consolidated by the Partnership and its statements of financial position and results of operations at 100% are provided below:

Statement of non-consolidated financial position:

	2020	2019
Assets		
Cash and restricted cash	$ 19,148	$ 9,686
Accrued interest	46,765	16,049
Mortgage investments, at fair value	640,729	568,757
Other assets	2,158	1,019
	$ 708,800	$ 595,511
Liabilities and Partners' Capital		
Liabilities:		
Mortgage investment syndication	$ 1,274	$ 2,598
Accounts payable and accrued liabilities	3,262	1,690
Due to the Partnership	100,583	74,680
Prepaid interest	–	1,035
Distributions payable	10,057	3,811
	115,176	83,814
Partners' capital	593,624	511,697
	$ 708,800	$ 595,511

Statement of non-consolidated comprehensive income:

	2020	2019
Investment income:		
Mortgage interest	$ 82,651	$ 49,058
Other	115	243
	82,766	49,301
Expenses:		
Service fees	6,891	4,538
Interest	4,589	1,931
Change in fair value of mortgage investments	20,320	4,741
Accounting and legal fees	357	246
Other	551	425
	32,708	11,881
Net investment income	$ 50,058	$ 37,420

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

The Partnership provides temporary funding to assist in USMLP's ability to fund loans. These loans are in priority of equity and are usually arranged to be repaid by the next unit offering date of USMLP. These loans bear an interest rate of U.S. prime plus 1.25% and are usually paid down within a year. As of December 31, 2020, a balance of $100,583 (2019 – $74,680) (equivalent of $79,000 USD (2019 – $57,500 USD)) is outstanding and included in the investment balance.

The fair value of the mortgage investments 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 values 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.

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

	2020	2019
Mortgage investments and investment in subsidiaries, at cost	**$ 2,527,710**	$ 2,591,078
Investment in USMLP	**559,754**	470,017
Unrealized fair value adjustment	**(136,590)**	(74,689)
	$ 2,950,874	$ 2,986,406

	2020	2019
Mortgage investments	**$ 1,909,989**	$ 2,020,032
Investment in subsidiaries	**481,131**	496,357
Investment in USMLP	**559,754**	470,017
	$ 2,950,874	$ 2,986,406

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 investment in subsidiaries, the Fund will assess the evidence obtained to support valuations that meet the requirements of IFRS.

E) Revolving loan facility

The Partnership entered into a revolving loan facility on July 16, 2012 and it was amended on July 17, 2019 with an increased maximum amount of $400,000 (2019 – $400,000) including borrowings of equivalent amounts denominated in U.S. dollars. Approximately $271,804 (2019 – $281,000) is available and $128,196 has been drawn as at December 31, 2020 (2019 – $119,000). 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 year ended December 31, 2020 were $60,000 and $314,001 (2019 – nil and $204,293), 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 16, 2021.

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 $289 (2019 – $740), net of accumulated amortization of $703 (2019 – $207).

F) Foreign exchange forward contracts

The foreign exchange forward contracts are used to hedge the Fund's exposure to loans denominated in U.S. 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 December 31, 2020 and 2019:

Foreign exchange gain on forward contracts as at year end:

	Currency received to be delivered in USD (CAD)	Fair value at foreign exchange	Unrealized gain
2020	**$ 1,280,467**	**$ 1,232,458**	**$ 48,009**
2019	1,167,143	1,148,918	18,225

The foreign exchange forward contracts are used to hedge the Fund's exposure to loans denominated in U.S. dollars and are classified as FVTPL. The unrealized foreign exchange gains on forward contracts are economically offset by unrealized losses on assets classified as FVTPL, which are included in the Partnership's unrealized foreign exchange loss of $2,814 (2019 – $11,500).

The realized foreign exchange loss of $5,512 (2019 – $6,008) in the Partnership's statement of comprehensive income includes realized foreign exchange loss of $5,440 (2019 – loss of $13,796) on forward contracts, which are offset by gains in assets classified as FVTPL and revolving credit facility.

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

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 12 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 the 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.

Effective April 2020, the Fund has halted any subscriptions and payment of redemptions due to the COVID-19 outbreak. Redemption requests of approximately 4,063,470 units as of December 31, 2020 have been placed in a queue which will be processed once the decision to resume redemptions is made (2019 – 3,010,427 units, of which the redemption was not suspended but was 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 ("NAV").

I) The following units are issued and outstanding:

	2020		2019	
	Units	**Amount**	Units	Amount
Balance, beginning of year	**301,836,184**	**$ 3,014,761**	245,910,544	$ 2,459,852
New units issued	**14,394,145**	**142,636**	59,593,718	591,261
New units issued under distribution reinvestment plan	**8,255,049**	**81,538**	10,419,325	103,376
Units redeemed	**(5,971,224)**	**(59,158)**	(14,087,403)	(139,728)
Proceeds from issuance of units, net of redemptions	**16,677,970**	**165,016**	55,925,640	554,909
Balance, end of year	**318,514,154**	**$ 3,179,777**	301,836,184	$ 3,014,761

During the normal course of business, the Fund receives unit issuance and redemption requests from the investors. In 2020, the Fund received requests for redemption of 35,246,612 units (2019 – 15,632,037) and redeemed 5,971,224 units (2019 – 14,087,403) for $59,158 (2019 – $139,728) in accordance with its policies.

As at December 31, 2020, certain unitholders did not make an election to participate in the Run-off Pool redemption mechanism, resulting in 28,222,356 units being retracted (note 14).

II) 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 NAV per unit.

5. NAV per unit and net income and comprehensive income per unit

NAV per unit is calculated as total assets less total liabilities, excluding units submitted for redemption, allocable to outstanding units of 318,514,154 as at December 31, 2020 (2019 – 301,836,184).

Net income and comprehensive income per unit have been computed using the weighted average number of units issued and outstanding of 314,154,639 for the year ended December 31, 2020 (2019 – 276,100,195).

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 year ended December 31, 2020, the Fund declared distributions of $0.56 (2019 – $0.73) per unit and a total of $175,824 (2019 – $201,472) 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 year 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 of the Partnership. For the year ended December 31, 2020, the total amount was $8,849 (2019 – $7,856).

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 of the Partnership. For the year ended December 31, 2020, this amount was $17,965 (2019 – $15,949).

C) Under the Mortgage Origination and Capital Raising Agreement, Romspen provides mortgage origination services to USMLP. Romspen receives fees totalling 1% 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 of the Partnership. For the year ended December 31, 2020, this amount was $6,891 (2019 – $4,538).

D) 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 year ended December 31, 2020, this amount was $29,157 (2019 – $50,042).

E) 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.

F) As at December 31, 2020, the Partnership had one (2019 – one) investment outstanding with an original cost of $40,646 (2019 – $37,245), including accrued interest of $382 (2019 – $382) and fair value of $24,805 (2019 – $24,248) due from mortgagors and investments in which members of management of Romspen own non-controlling equity interests.

G) Included in the Fund and the Partnership's accounts payable and accrued liabilities is an amount of $70 (2019 – $85) payable to Romspen.

H) As at December 31, 2020, the Partnership has six (2019 – nil) mortgage investments with entities that are owned by a subsidiary of Romspen ("Romspen Subsidiary") following the completion of the enforcement foreclosure on behalf of the Partnership.

During the year, Romspen Subsidiary foreclosed and assumed three mortgages (2019 – nil) on behalf of the Partnership at a fair value of $149,542, which equalled the carrying value.

During the year, the Partnership transferred three investments in subsidiaries to Romspen Subsidiary in exchange for a mortgage investment for a total consideration of $26,325 being the carrying value of the subsidiaries on the transfer date.

As at December 31, 2020, the cost of the mortgage investments with Romspen Subsidiary is $175,881 (2019 – nil), and the fair value is $175,881 (2019 – nil). For the year ended December 31, 2020, the Partnership recognized interest income of nil (2019 – nil) from these investments.

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) In certain situations, subsidiaries utilize financing from external sources. In such cases, the Partnership will extend guarantees to the subsidiaries as support for these debts. As of December 31, 2020, there was $70,700 of guarantees outstanding (2019 – $46,707).

D) The Partnership has letters of guarantee outstanding at December 31, 2020 of $56,595 (2019 – $34,637).

10. Fair values of financial instruments

IFRS 13 establishes enhanced disclosure requirements 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.

The 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, other assets, accounts payable and accrued liabilities, units submitted for redemption, unitholders' distributions payable and prepaid unit capital approximate their carrying values due to their short-term maturities.

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 investment in subsidiaries and also from foreign exchange forward contracts. 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 and the U.S. 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 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.

As at December 31, 2020, the Partnership has $95,561 (2019 – $58,296) of accrued interest past due on $472,994 (2019 – $335,539) of mortgages which the Fund does not consider impaired. The Fund has reviewed these loans and does not require fair value adjustments given the value of underlying collateral.

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 16, 2021. 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 December 31, 2020, 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 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(e)) bears interest not exceeding the prime rate plus 1.0%.

As at December 31, 2020, if interest rates on the revolving loan facility had been 100 basis points lower or higher, with all other variables held constant, net earnings for the year would be affected with a total increase or decrease of $2,440 (2019 – $749). 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 $1,354,011 (2019 – $1,271,730), 44% (2019 – 42%) of the total Partnership's investments at year end, are denominated in U.S. dollars and secured primarily by charges on real estate located in the 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; by including mortgage contract terms whereby the borrower is responsible for foreign exchange losses; and by funding part of the mortgages with a USD loan facility.

A weakening of the Canadian dollar against the U.S. dollar by 5% would have resulted in an increase in NAV of $0.04 per unit (2019 – $0.04 per unit), 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 December 31, 2020, the Partnership's borrowings totalled 4% (2019 – 4%) of the book value of its total investments and the Fund was in compliance with all covenants under its revolving loan facility.

E) COVID-19 risks

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic, requiring important protective measures to be implemented to prevent its spread. The governments have likewise declared that the COVID-19 outbreak in their jurisdictions constitutes an emergency and enacted measures to contain the spread of the virus. Reactions to the spread of COVID-19 have led to, among other things, significant restrictions on travel, temporary business closures, quarantines, a general reduction in commercial activity due to reduced consumer spending related to job loss and other adverse economic effects attributable to COVID-19.

Given the unprecedented and pervasive impact of changing circumstances surrounding COVID-19, there is inherently greater uncertainty related to the Fund's future operating assumptions as compared to the prior periods. Given this, it is not possible to forecast with certainty the duration and scope of the economic impact of COVID-19 and the impact it will have on the Fund's investments measured at fair value through profit or loss, both in the short term and in the long term. The duration of the business disruption due to government lockdown orders and their related financial impact cannot be reasonably estimated at this time and may be instituted, terminated and re-instituted from time to time as the COVID-19 outbreak worsens or waves of COVID outbreaks may occur. The volatility and disruption related to the COVID-19 outbreak and the reactions to it may result in a disruption or deferral in borrower payments, a decline in the appraised value or salability of properties, a decline of interest rates, a deterioration of the creditworthiness of the borrowers, an inability for the borrowers to obtain additional financing, should the need arise, and/or the need to extend the maturity date of the mortgage. At this point, the extent to which COVID-19 may impact the Fund is uncertain.

12. Comparative figures

Certain comparative figures have been reclassified within the notes of the financial statements to conform to the presentation adopted for the current year.

13. Exemption from filing

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

14. Subsequent event

On January 1, 2021, the Fund implemented a Run-off Pool ("ROP") redemption mechanism allowing a unitholder with redemptions in queue to redeem their units in-kind by way of issuance of an equivalent number of special class ROP units. If the unitholder retracts the redemption request, they will not be able to redeem such retracted units for 12 months.

The assets and liabilities are allocated to the ROP based on the percentage of redemption units in the queue at January 1, 2021 and apply to the Fund's NAV calculated at December 31, 2020. ROP unitholders have a beneficial interest conferred by the ROP units only in the ROP. The ROP units will be redeemed quarterly on a pro-rata basis at the ROP NAV as the net assets in the ROP are converted in cash as defined in the amended Declaration of the Trust pursuant to the trustee information circular and special meeting of unitholders held on December 3, 2020.

Additionally, assets in the ROP may periodically be purchased from the ROP for the benefit of the Fund at fair market value to the extent that the Fund has surplus capital available. These purchases would be at the option of the Fund and result in the acceleration of the redemption of ROP units.

The Trustees have the right, in their sole discretion, but not the obligation, to redeem all, but not less than all, of the remaining ROP units at a discount of up to 12% of ROP NAV, if at any time, the ROP NAV is less than $100 million.

Performance – 25 Years by Month

Romspen has had 25 years of net investor yields ranging from 5.8% – 10.8%, with positive performance every month.

Year	January	February	March	April	May	June	July	August	September	October	November	December	Annual Compound Yield
1996	0.80	0.85	0.87	0.83	0.91	0.77	0.88	0.96	0.75	1.03	0.83	0.78	**10.8**
1997	0.89	0.76	0.83	0.83	0.77	0.71	0.87	0.91	0.73	0.87	0.73	0.35	**9.7**
1998	0.92	0.89	0.92	0.77	0.69	0.76	1.02	0.75	0.80	0.93	0.77	0.87	**10.6**
1999	0.77	0.74	0.77	0.84	0.88	0.79	0.89	0.71	0.96	0.74	0.84	0.72	**10.1**
2000	0.87	0.78	0.93	0.74	0.88	0.75	0.81	0.75	0.73	0.79	0.82	0.80	**10.1**
2001	0.91	0.67	0.83	0.69	0.82	0.76	0.82	0.87	0.73	0.92	0.83	0.73	**10.0**
2002	0.88	0.71	0.86	0.86	1.01	0.67	0.94	0.81	0.77	0.76	0.77	1.06	**10.6**
2003	0.84	0.78	0.76	0.70	0.71	0.77	0.83	0.72	0.87	0.76	0.68	0.90	**9.7**
2004	0.67	1.08	0.83	0.88	0.71	1.02	0.76	0.83	0.63	0.62	0.74	0.68	**9.8**
2005	0.65	0.06	0.86	0.58	0.88	1.91	0.57	1.08	0.74	0.74	0.57	0.88	**9.9**
2006	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.90	0.80	0.80	0.80	0.95	**10.3**
2007	0.80	0.80	0.90	0.80	0.80	0.90	0.80	0.80	0.90	0.81	0.80	0.92	**10.5**
2008	0.80	0.80	0.90	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.70	0.70	**9.9**
2009	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	**8.7**
2010	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	**8.7**
2011	0.70	0.60	0.70	0.70	0.60	0.70	0.70	0.60	0.70	0.60	0.60	0.70	**8.2**
2012	0.70	0.60	0.60	0.60	0.70	0.60	0.60	0.60	0.60	0.60	0.60	0.60	**7.7**
2013	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	**7.4**
2014	0.60	0.60	0.60	0.70	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.70	**7.8**
2015	0.70	0.70	0.60	0.70	0.60	0.60	0.70	0.70	0.70	0.60	0.70	0.60	**8.2**
2016	0.60	0.70	0.60	0.60	0.70	0.60	0.70	0.60	0.60	0.60	0.70	0.70	**8.0**
2017	0.60	0.60	0.70	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.70	0.70	**7.9**
2018	0.60	0.60	0.60	0.60	0.61	0.61	0.61	0.61	0.60	0.60	0.60	0.70	**7.6**
2019	0.60	0.60	0.60	0.60	0.60	0.60	0.61	0.61	0.71	0.61	0.61	0.61	**7.6**
2020	0.61	0.61	0.40	0.40	0.40	0.40	0.40	0.41	0.51	0.51	0.51	0.51	**5.8**

Source: PricewaterhouseCoopers report, Romspen annual reports, Romspen analysis

3 Yrs	**7.0%**	**5 Yrs**	**7.4%**	**10 Yrs**	**7.6%**	**25 Yrs**	**9.0%**

Annualized as at December 31, 2020

Notes:

1. Romspen results from January 1996 to January 16, 2006 reflect the pool of individually syndicated mortgages. Results from January 16, 2006 to present reflect the Romspen Mortgage Investment Fund, the successor business to the individually syndicated mortgages.

2. Romspen yield is calculated on a cash-on-cash basis, net of fees, and assumes a monthly reinvestment of distributions. It does not take into account income taxes, changes in unit values, third-party expenses or redemption charges.

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-institutional 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

Vitor Fonseca
Vice President and Treasurer

Joel Mickelson
Corporate Counsel

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 with a means to reinvest cash distributions in new units of the Fund. To participate, unitholders should contact Romspen or their investment dealer.

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

Annual General Meeting of Unitholders

Romspen Mortgage Investment Fund's Annual General Meeting of unitholders will be held online only by way of live webcast on Tuesday, June 8, 2021, at 10 a.m.

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

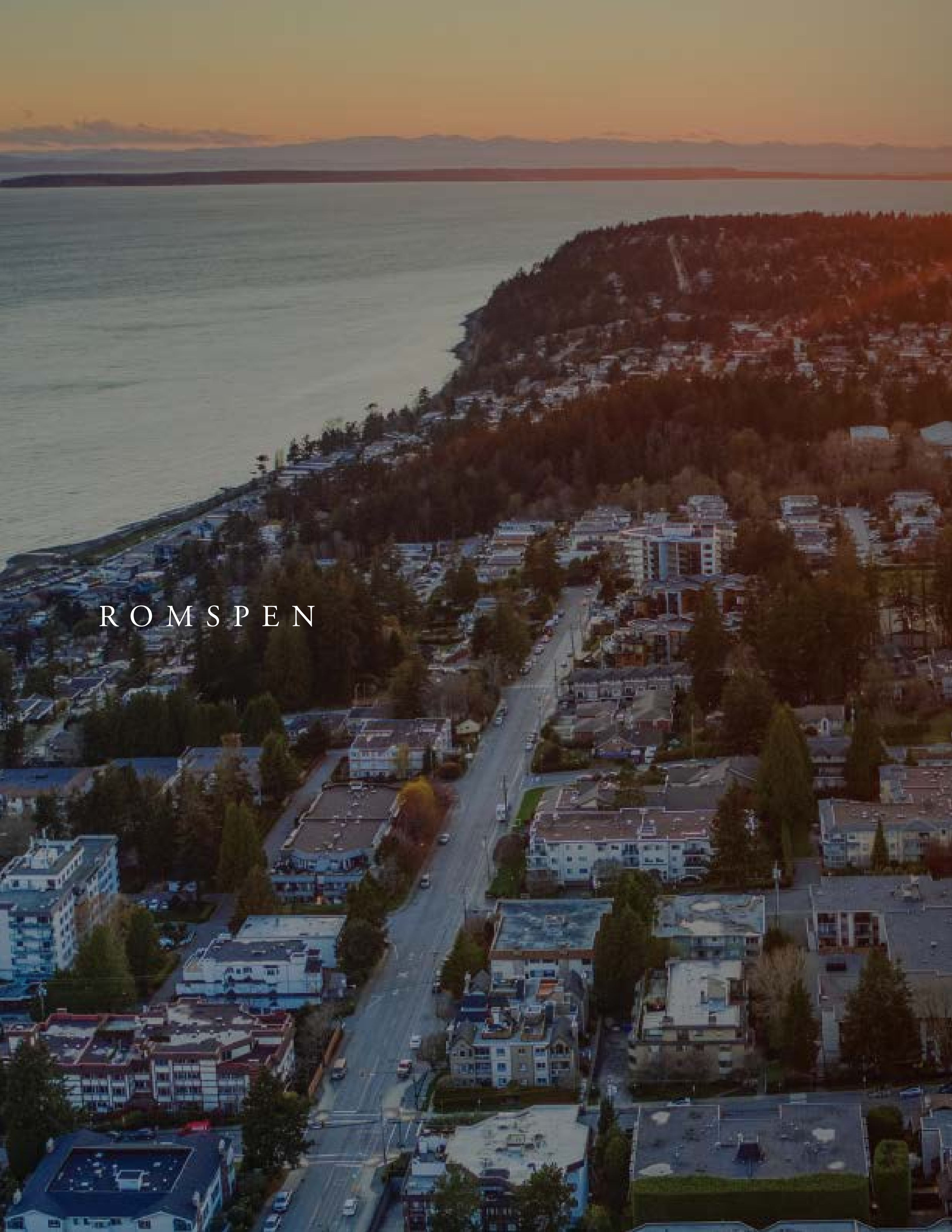
KPMG LLP

Legal Counsel

Gardiner Roberts LLP

Website

www.romspen.com


ROMSPEN