

Financial Statements

(Expressed in U.S. dollars)

ROMSPEN US MORTGAGE INVESTMENT FUND

Period ended September 30, 2020

STATEMENT OF FINANCIAL POSITION

September 30, 2020, with comparative information for 2019

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)

	September 30, 2020	December 31, 2019
Assets		
Cash	\$ 165	\$ 901
Investment in TIG Romspen US Master Mortgage LP (note 3)	75,455	62,281
Other assets (note 4)	455	464
	\$ 76,075	\$ 63,646
Liabilities and Unitholders' Equity		
Liabilities:		
Accounts payable and accrued liabilities	\$ 35	\$ 35
Prepaid unit capital	-	669
Unitholders' distributions payable	433	462
	468	1,166
Unitholders' equity (note 5)	75,607	62,480
	\$ 76,075	\$ 63,646
Net asset value per unit (note 6)	\$ 10.00	\$ 10.00

See accompanying notes to financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Nine months ended September 30, 2020, with comparative information for 2019

	3 months ended September 30, 2020	3 months ended September 30, 2019	9 months ended September 30, 2020	9 months ended September 30, 2019
(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)				
Revenue:				
Distributions from TIG Romspen US Master Mortgage LP	\$ 1,357	\$ 817	\$ 3,922	\$ 1,947
Interest and other income	-	2	4	9
	1,357	819	3,926	1,956
Expenses:				
Capital raising fees (note 8)	47	-	94	-
Audit fees	6	2	18	20
Legal fees	-	-	4	14
Custodian, administrator fees	9	5	23	12
Other	2	4	8	7
	64	11	147	53
Net income and comprehensive income	\$ 1,293	\$ 808	\$ 3,779	\$ 1,903
Net income and comprehensive income per unit (note 6)	\$ 0.17	\$ 0.21	\$ 0.51	\$ 0.62
Weighted average number of units issued and outstanding (note 6)	7,545,459	3,827,954	7,377,444	3,054,564

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY

Nine months ended September 30, 2020, with comparative information for 2019

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)		September 30, 2020	September 30, 2019
Unit capital:			
Balance, beginning of period	\$	62,480	\$ 18,911
Issuance of units		11,550	20,844
Reinvestment of distributions		1,582	686
Redemption of units		(5)	(1)
Balance, end of period	\$	75,607	\$ 40,440
Cumulative earnings:			
Balance, beginning of period	\$	3,665	\$ 490
Net income and comprehensive income		3,779	1,903
Balance, end of period	\$	7,444	\$ 2,393
Cumulative distributions to unitholders:			
Balance, beginning of period	\$	(3,665)	\$ (490)
Distributions to unitholders		(3,779)	(1,903)
Balance, end of period	\$	(7,444)	\$ (2,393)
Unitholders' equity (note 5)	\$	75,607	\$ 40,440
Units issued and outstanding (note 5)		7,560,686	4,043,977

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

Nine months ended September 30, 2020, with comparative information for 2019

	3 months ended September 30, 2020	3 months ended September 30, 2019	9 months ended September 30, 2020	9 months ended September 30, 2019
(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)				
Cash provided by (used in):				
Operations:				
Net income and comprehensive income	\$ 1,293	\$ 808	\$ 3,779	\$ 1,903
Change in non-cash operating items:				
Other assets	(3)	(36)	9	(34)
Accounts payable and accrued liabilities	6	(8)	-	(6)
Unitholders' distributions payable	4	48	(29)	162
	1,300	812	3,759	2,025
Financing:				
Proceeds from issuance of units, net of reinvested funds	-	5,199	11,550	20,844
Redemption from unitholders	-	-	(5)	(1)
Distribution to unitholders, net of reinvested funds	(845)	(491)	(2,197)	(1,217)
Change in prepaid capital	-	5,321	(669)	5,941
	(845)	10,029	8,679	25,567
Investments:				
Net funding of investment in TIG Romspen US Master Mortgage LP (note 3)	(444)	(5,489)	(13,174)	(21,478)
Increase (decrease) in cash	11	5,352	(736)	6,114
Cash, beginning of period	154	1,176	901	414
Cash, end of period	\$ 165	\$ 6,528	\$ 165	\$ 6,528

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Period ended September 30, 2020

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)

Romspen US Mortgage Investment Fund (the "Fund"), is a limited partnership formed under the laws of province of Ontario on November 7, 2017 and commenced operations on June 15, 2018. The head office of the Fund is located at 162 Cumberland Street, Suite 300, Toronto, ON M5R 3N5.

The Fund generally invests its assets through a "master-feeder" structure, conducting its investment and trading activities indirectly through an investment in the TIG Romspen US Mortgage Intermediate LP (the "Intermediate LP"), a flow-through partnership which wholly owns TIG Romspen US Master Mortgage LP (the "Master Fund"). The Master Fund is a limited partnership formed to conduct trading activities on behalf of the Fund and other entities serviced by Romspen Investment Corporation ("RIC") or its affiliates. The purpose of the Master Fund is to provide stable and secure cash distributions of income while preserving unitholders' equity. The Master Fund is managed by Romspen US Master Mortgage GP LLC (the "Master General Partner") and Romspen Investment Limited Partnership (the "Manager"). The Fund is managed by Romspen Citadel GP Inc. (the "General Partner") and pursuant to a Capital Raising Agreement, the Fund is serviced by RIC, a corporation formed in Canada. Investor administration functions are outsourced to a third-party administrator, SS&C Inc.

The financial statements of the Master Fund, including the condensed schedule of investments, should be read in conjunction with the Fund's financial statements.

There are no generally accepted accounting principles differences between the financial statements of the Master Fund and the Fund.

These financial statements and accompanying footnotes are presented for the period ended September 30, 2020.

1. Basis of presentation

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

The Fund is an investment company and follows the accounting and reporting guidance in the Financial Accounting Standards Board's Accounting Standards Codification Topic 946, Financial Services – Investment Companies.

The financial statements are measured and presented in U.S. dollars; 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 and loss ("FVTPL") which are presented at fair value.

The Fund accounts for its investment in Master Fund at FVTPL. The results of operations and the financial position of the Master Fund 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.

B) Investment in the Master Fund

The investment in the Master Fund is carried at its fair value, which is estimated based on the net asset value ("NAV") of the Fund's interest in the Master Fund, as determined by management of the Master Fund.

C) Investment income and expenses

The Fund records its share of the net of the Master Fund's income, expenses, realized and unrealized gains or losses. In addition, the Fund incurs and accrues its own revenue and expenses.

D) Net income and comprehensive income per unit

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

E) Income Taxes

No provision for federal, state and local income taxes has been made in the accompanying financial statements, as individual investors are responsible for their proportionate share of the Fund's taxable income. Interest, dividends and other income realized by the Fund from non-Canadian sources and capital gains realized on the sale of securities of non-Canadian issuers may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced.

The Fund invests in the Master Fund, which is situated in the Cayman Islands. It is not subjected to any form of taxation in the Cayman Islands, including income, capital gains and withholding taxes.

NOTES TO FINANCIAL STATEMENTS

Period ended September 30, 2020

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)

3. Supplemental information regarding Master Fund at FVTPL

The Fund held units in the Master Fund from June 15, 2018 to September 30, 2019. On September 30, 2019 the Master Fund units held by the Fund were transferred into Intermediate LP for an equivalent value of units. As a result, the Master Fund became a wholly owned subsidiary of the Intermediate LP. This restructure has no impact on the Master Fund financials, operations, or the Fund financials and its unitholders.

As at September 30, 2020 the Fund owns 16.3% (2019 – 11.0%) of the Master Fund via the Intermediate LP and accounts for its investments in the Master Fund at fair value.

Schedule of investment in the Master Fund:

	Sep 30, 2020	Sep 30, 2019
Investment balance, beginning of period	\$ 62,281	\$ 18,861
Funding of investment in the Master Fund	13,179	21,479
Redemption of investment in the Master Fund	(5)	(1)
Fund's share in the Master Fund net income	3,922	1,947
Dividend received from the Master Fund	(3,922)	(1,947)
Investment balance, end of period	\$ 75,455	\$ 40,339

The Master Fund is not consolidated by the Fund and the Master Fund's financial position and results of operations prepared on a fair value basis at 100% are provided in the following:

Statement of financial position:

	Sep 30, 2020	Dec 31, 2019
Assets		
Cash and restricted cash	\$ 20,332	\$ 7,458
Accrued interest receivable	23,767	12,357
Mortgage investments, at fair value	501,731	437,910
Other assets	1,364	785
	\$ 547,194	\$ 458,510
Liabilities		
Mortgage investment syndications	1,000	2,000
Accounts payable and accrued liabilities	1,151	1,301
Due to related party	79,000	57,500
Prepaid interest	-	797
Distributions payable	2,791	2,934
	83,942	64,532
Partners' capital	463,252	393,978
	\$ 547,194	\$ 458,510

Statement of comprehensive Income:

	9 Months ended Sep 30, 2020	9 Months ended Sep 30, 2019
Revenue		
Mortgage interest	\$ 40,947	\$ 26,196
Other	-	82
	40,947	26,278
Expenses		
Service fees	3,860	2,418
Interest	2,558	1,082
Change in fair value of mortgage investments	9,850	2,875
Accounting and legal fees	199	141
Other	312	228
	\$ 16,779	\$ 6,744
Net earnings	\$ 24,168	\$ 19,534

4. Other assets

Other assets include an outstanding distribution receivable of \$455 (2019 - \$282) as declared from the Master Fund.

5. Unitholders' equity

The beneficial interests in the Fund are represented by a single class of units, which are unlimited in number. 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 liquidation. The Fund is authorized to issue unlimited number of units. At present, there is only one class of units. Fractional units may be issued up to 4 decimal places. Fractional units carry the same rights and are subject to the same conditions as whole units in the proportion which they bear to a whole unit. They are in a class of instruments that are subordinate to all other classes of instruments and have identical features.

The Fund will generally not accept any subscriptions of less than \$50. Units are issued and offered based on the Fund's NAV.

Each unitholder may generally withdraw all or a portion of the balance in each of its capital accounts maintained for purposes of withdrawals as of the end of each calendar month. If a redemption request occurs within 12 months of the contribution date, then the proceeds in respect of any such early withdrawal will be subject to a withdrawal charge equal to 4% of the amount withdrawn. Unitholders seeking a withdrawal must give written notice to the General Partner with a minimum of 30 days' notice. The General Partner, in its sole discretion, may permit withdrawals at other times. As well, the General Partner, in its sole discretion, may waive or reduce other provisions. A partial or complete redemption of units is limited to a Master Fund withdrawal gate as set forth below on the following page:

NOTES TO FINANCIAL STATEMENTS

Period ended September 30, 2020

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)

- If total withdrawal requests on any withdrawal date exceeds 1% of the Master Fund's NAV, the Master General Partner may, in its discretion, limit withdrawals to 1% of NAV.

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 General Partner shall be entitled, in its sole discretion, to extend the time for payment or suspend any unit redemptions if, in the reasonable opinion of the General Partner, such payment would be materially prejudicial to the interests of the remaining unitholders in the Fund. The General Partner does not hold any units representing the beneficial interest in the Fund and therefore no income or cash distributions are allocated to the General Partner.

Effective April 2020, the Fund has halted any requests for redemption due to the COVID-19 outbreak. As of September 30, 2020, redemption requests of \$13,489 have been placed in a queue which will be processed once the decision to resume redemptions is made.

The Fund has a distribution reinvestment plan ("DRIP") 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.

The following units are issued and outstanding:

	Sep 30, 2020		Sep 30, 2019	
	Units	Amount	Units	Amount
Balance, beginning of period	6,248,041	\$ 62,480	1,891,096	\$ 18,911
New units issued	1,154,926	11,550	2,084,369	20,844
Units issued under DRIP	158,219	1,582	68,654	686
Units redeemed	(500)	(5)	(142)	(1)
Balance, end of period	7,560,686	\$ 75,607	4,043,977	\$ 40,440

6. NAV per unit and comprehensive income per unit

NAV per unit is calculated as total assets less total liabilities allocable to outstanding units of 7,560,686 as at September 30, 2020 (2019 – 4,043,977).

Net income per unit is calculated using the weighted average number of units issued and outstanding of 7,377,444 for the period ended September 30, 2020 (2019 – 3,054,564).

7. Distributions

The Fund makes distributions to the unitholders monthly on or about the 20th day of each month. The Partnership Agreement indicates that it intends to distribute 100% of the net earnings of the Fund to the unitholders. For the nine months ended September 30, 2020, the Fund declared distributions of

\$0.52 per unit (2019 – \$0.62 per unit), or a total distribution amount of \$3,779 (2019 – \$1,903).

8. Related party transactions and balances

Related parties to the Fund include the directors of the General Partner, the Master Fund, the directors of the Master General Partner, RIC and subsidiaries of RIC. The Fund conducts its investment and trading activities indirectly through an investment in the Master Fund. RIC is related to the Fund by virtue of a common director.

As of September 30, 2020, the Fund had the following significant related party transactions:

- A) The directors of the General Partner are also owners of RIC. Under the Capital Raising Agreement, RIC provides capital raising services to the Fund. RIC receives fees totaling 0.25% per annum, calculated daily and payable monthly, on the investment in the Master Fund. This fee is effective starting April 1st, 2020. For the nine months ended September 30, 2020, the total amount was \$94 (2019 – nil).
- B) The Manager, a subsidiary of RIC, handles all the day-to-day affairs of the Master Fund in accordance to the service agreement. The Manager receives service fees from the Master Fund totaling 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 Master Fund. For the nine months ended September 30, 2020, the total amount was \$3,860 (2019 – \$2,418).

9. Subsequent events

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and ongoing with various cities and countries around the world responding in different ways to address the outbreak. Management will continue to monitor the impact of COVID-19 on the Fund's investments. The extent of the effect of the COVID-19 pandemic on the Fund remains uncertain at this time.

From October 1, 2020 to October 31, 2020, the Fund did not issue any additional subscriptions.

Financial Statements

(Expressed in U.S. dollars)

TIG ROMSPEN US MASTER MORTGAGE LP

Period ended September 30, 2020

STATEMENT OF ASSETS AND LIABILITIES

September 30, 2020, with comparative information for 2019

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)		September 30, 2020	December 31, 2019
Assets			
Cash and restricted cash	\$	20,332	\$ 7,458
Accrued interest receivable		23,767	12,357
Mortgage investments, at fair value (note 3)		501,731	437,910
Other assets		1,364	785
	\$	547,194	\$ 458,510
Liabilities			
Mortgage investment syndications (note 4)		1,000	2,000
Accounts payable and accrued liabilities		1,151	1,301
Due to related party (note 8)		79,000	57,500
Prepaid interest		-	797
Distributions payable		2,791	2,934
		83,942	64,532
Partners' capital (note 5)		463,252	393,978
	\$	547,194	\$ 458,510
Net asset value per unit (note 6)	\$	10.00	\$ 10.00

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS

Nine months ended September 30, 2020, with comparative information for 2019

	3 months ended September 30, 2020	3 months ended September 30, 2019	9 months ended September 30, 2020	9 months ended September 30, 2019
(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)				
Revenue:				
Mortgage interest	\$ 14,373	\$ 10,063	\$ 40,947	\$ 26,196
Other	-	-	-	82
	14,373	10,063	40,947	26,278
Expenses:				
Service fees (note 8 (a))	1,355	923	3,860	2,418
Interest	1,034	206	2,558	1,082
Change in fair value of mortgage investments	3,450	1,100	9,850	2,875
Accounting and legal fees	109	76	199	141
Other	104	85	312	228
	6,052	2,390	16,779	6,744
Net earnings	\$ 8,321	\$ 7,673	\$ 24,168	\$ 19,534
Net earnings per unit (note 6)	\$ 0.18	\$ 0.21	\$ 0.53	\$ 0.64

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN PARTNERS' CAPITAL

Nine months ended September 30, 2020, with comparative information for 2019

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)

	Balance, beginning of period	Proceeds from capital contributions, net of redemptions	Distribution paid for the period	Allocation of net earnings for the period	Balance, end of period
For the period ended September 30, 2020					
Limited Partners:					
TIG Romspen US Mortgage Intermediate LP	\$ 393,978	\$ 69,274	\$ (24,168)	\$ 24,168	\$ 463,252
	\$ 393,978	\$ 69,274	\$ (24,168)	\$ 24,168	\$ 463,252

	Balance, beginning of period	Proceeds from capital contributions, net of redemptions	Distribution paid for the period	Allocation of net earnings for the period	Transfer of Units	Balance, end of period
For the period ended September 30, 2019						
Limited Partners:						
Romspen Liberty LP	\$ 213,126	\$ 89,000	\$ (16,860)	\$ 16,860	\$ (302,126)	\$ -
Romspen US Mortgage Investment Fund	18,860	21,479	(1,947)	1,947	(40,339)	-
TIG Romspen US Mortgage LP	6,890	16,679	(727)	727	(23,569)	-
TIG Romspen US Mortgage Intermediate LP	-	-	-	-	366,034	366,034
	\$ 238,876	\$ 127,158	\$ (19,534)	\$ 19,534	\$ -	\$ 366,034

See accompanying notes to financial statements.

STATEMENT OF CASHFLOWS

Nine months ended September 30, 2020, with comparative information for 2019

	3 months ended September 30, 2020	3 months ended September 30, 2019	9 months ended September 30, 2020	9 months ended September 30, 2019
(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)				
Cash provided by (used in):				
Operations:				
Net earnings	\$ 8,321	\$ 7,673	\$ 24,168	\$ 19,534
Adjustments for:				
Funding of mortgage investments	(32,956)	(48,785)	(153,538)	(156,650)
Discharge of mortgage investments	49,727	41,370	79,867	60,128
Change in fair value of mortgage investments	3,450	1,100	9,850	2,875
Change in non-cash operating items:				
Accrued interest receivable	(3,187)	(3,533)	(11,410)	(5,532)
Other assets	(49)	(73)	(579)	(467)
Accounts payable and accrued liabilities	(688)	1,673	(1,947)	2,536
Distributions and redemptions payable	17	246	(143)	597
Due to related party	(3,600)	(2,100)	21,500	(1,400)
	21,035	(2,429)	(32,232)	(78,379)
Financing:				
Proceeds from capital contributions, net of redemptions	2,636	38,556	69,274	127,158
Distribution to partners	(8,321)	(7,673)	(24,168)	(19,534)
	(5,685)	30,883	45,106	107,624
Increase (decrease) in cash and restricted cash	15,350	28,454	12,874	29,245
Cash and restricted cash, beginning of period	4,982	2,275	7,458	1,484
Cash and restricted cash, end of period	\$ 20,332	\$ 30,729	\$ 20,332	\$ 30,729

See accompanying notes to financial statements.

SCHEDULE OF INVESTMENTS

September 30, 2020, with comparative information for 2019

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)		September 30, 2020	
U.S mortgage investments owned		Face Value	% of partners' capital
Phoenix	Mortgage Investment 11.25%	\$ 55,575	12.0%
Tuscaloosa	Mortgage Investment 11.00%	35,123	7.6%
Dallas	Mortgage Investment 11.50%	32,679	7.1%
Vancouver	Mortgage Investment 11.75%	30,838	6.7%
Daytona Beach	Mortgage Investment 12.00%	27,674	6.0%
Lakeland	Mortgage Investment 10.75%	23,625	5.1%
Surfside	Mortgage Investment 11.00%	23,500	5.1%
Kutztown	Mortgage Investment 12.00%	22,000	4.7%
Bradenton	Mortgage Investment 10.00%	21,560	4.7%
Vancouver	Mortgage Investment 10.00%	20,000	4.3%
Tempe	Mortgage Investment 10.50%	18,278	3.9%
Houston	Mortgage Investment 10.25%	17,847	3.9%
Palm Beach	Mortgage Investment 11.00%	16,038	3.5%
Colorado Springs	Mortgage Investment 13.50%	16,015	3.5%
Port Orchard	Mortgage Investment 12.50%	15,749	3.4%
Philadelphia	Mortgage Investment 11.25%	15,000	3.2%
Las Vegas	Mortgage Investment 11.00%	13,641	2.9%
Miami	Mortgage Investment 10.25%	11,104	2.4%
Philadelphia	Mortgage Investment 10.50%	10,115	2.2%
Manvel	Mortgage Investment 13.00%	10,084	2.2%
Philadelphia	Mortgage Investment 12.50%	9,349	2.0%
Richmond	Mortgage Investment 11.50%	8,500	1.8%
Wahiawa	Mortgage Investment 10.50%	8,383	1.8%
Lincolnwood	Mortgage Investment 10.00%	8,000	1.7%
Kailua	Mortgage Investment 12.50%	7,985	1.7%
Sandy Springs	Mortgage Investment 11.00%	7,171	1.5%
Philadelphia	Mortgage Investment 11.00%	6,991	1.5%
Houston	Mortgage Investment 10.50%	6,459	1.4%
Philadelphia	Mortgage Investment 11.00%	5,100	1.1%
Other		12,985	2.8%
Total		\$ 517,368	
Fair value adjustment (note 3)		(15,637)	
Fair value of total investments owned		\$ 501,731	

SCHEDULE OF INVESTMENTS

September 30, 2020, with comparative information for 2019

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)			December 31, 2019	
U.S mortgage investments owned		Face Value	% of partners' capital	
Phoenix	Mortgage Investment 11.25%	\$ 55,575	14.1%	
Tuscaloosa	Mortgage Investment 11.00%	31,111	7.9%	
Broward County	Mortgage Investment 10.95%	30,950	7.9%	
Rowlett	Mortgage Investment 11.50%	26,792	6.8%	
Surfside	Mortgage Investment 11.00%	23,500	6.0%	
Bradenton	Mortgage Investment 10.00%	21,560	5.5%	
Kutztown	Mortgage Investment 12.00%	21,328	5.4%	
Vancouver	Mortgage Investment 11.75%	18,025	4.6%	
Houston	Mortgage Investment 10.25%	17,104	4.3%	
Tempe	Mortgage Investment 10.50%	16,792	4.3%	
George County	Mortgage Investment 11.00%	16,106	4.1%	
Colorado Springs	Mortgage Investment 13.50%	16,015	4.1%	
Philadelphia	Mortgage Investment 11.25%	15,000	3.8%	
Seattle	Mortgage Investment 10.00%	14,000	3.6%	
Kissimmee	Mortgage Investment 11.00%	13,400	3.4%	
Vancouver	Mortgage Investment 10.00%	11,310	2.9%	
Port Orchard	Mortgage Investment 12.50%	10,535	2.7%	
Philadelphia	Mortgage Investment 10.50%	9,847	2.5%	
Philadelphia	Mortgage Investment 12.50%	8,078	2.1%	
Lincolnwood	Mortgage Investment 10.00%	8,000	2.0%	
Philadelphia	Mortgage Investment 11.00%	6,615	1.7%	
Sandy Springs	Mortgage Investment 11.00%	6,604	1.7%	
Wahiawa	Mortgage Investment 10.50%	6,540	1.7%	
Manvel	Mortgage Investment 13.00%	6,504	1.7%	
Houston	Mortgage Investment 10.50%	6,400	1.6%	
Kailua	Mortgage Investment 12.50%	5,951	1.5%	
Philadelphia	Mortgage Investment 11.00%	5,100	1.3%	
Other		14,955	3.8%	
Total		\$ 443,697		
Fair value adjustment (note 3)		(5,787)		
Fair value of total investments owned		\$ 437,910		

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)
Nine months ended September 30, 2020

TIG Romspen US Master Mortgage LP (the "Master Fund"), is a Cayman Islands exempted partnership formed on December 22, 2017, which commenced operations on June 1, 2018, by exchanging equity units for the net investments of TIG Romspen US Mortgage LP. The Master Fund conducts lending activities in the United States with the sole objective to provide stable and secure cash distributions of income while preserving partners' capital.

On February 20, 2019 the Master Fund changed its name from Romspen US Master Mortgage LP to TIG Romspen US Master Mortgage LP.

On September 30, 2019, the Master Fund units held by Romspen US Mortgage Investment Fund, TIG Romspen US Mortgage LP and Romspen Liberty LP were transferred into a newly formed partnership, TIG Romspen US Mortgage Intermediate LP ("Intermediate LP"). As a result, the Master Fund became a wholly owned subsidiary of the Intermediate LP. This restructure has no impact on the Master Fund's financials, operations or its partners. The Master Fund's registered office is 162 Cumberland Street, Suite 300, Toronto, ON M5R 3N5. The Master Fund is managed by Romspen US Master Mortgage GP LLC (the "General Partner") and Romspen Investment Limited Partnership (the "Manager"). The registered office of the Manager is 162 Cumberland Street, Suite 300, Toronto, ON M5R 3N5.

These financial statements and accompanying footnotes are presented for the period ended September 30, 2020.

1. Basis of presentation

These financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP").

The Master Fund is an investment company and follows the accounting and reporting guidance in the Financial Accounting Standards Board's Accounting Standards Codification (ASC) Topic 946, Financial Services – Investment Companies.

The financial statements are measured and presented in U.S. dollars; 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 and loss ("FVTPL") which are presented at fair value.

2. Significant accounting policies

A) Fair value of financial instruments

The Master Fund determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumption in fair value measurements, a three-level valuation hierarchy is used to distinguish the degree to which the inputs are observable or unobservable:

- 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 – input for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Master Fund's mortgage investments are classified as debt instruments and are designated as FVTPL and valued using unobservable inputs. As a result, all mortgage investments have been classified in Level 3 of the valuation hierarchy.

The fair value of a mortgage investment 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 the Master Fund's mortgage investments, the Manager makes its determination of fair value based on the assessment of the current lending market for investments of same or similar terms. Typically, the fair value of mortgages approximate their carrying values given that 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 Manager regularly reviews significant unobservable inputs and valuation adjustments and will use market observable data when available.

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

B) Cash and restricted cash

Cash, including cash denominated in foreign currencies, represents cash deposits held at financial institutions. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value. Cash equivalents are held for meeting short-term liquidity requirements, rather than for investment purposes. Cash and cash equivalents are held at major financial institutions and are subject to credit risk to the extent those balances exceed applicable FDIC or SIPC limitations.

Restricted cash represents cash held in reserve on behalf of the holders of the mortgages (the "Borrowers"). This includes standby deposits received from the Borrowers to cover any travel or closing costs prior to closing and

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)
Nine months ended September 30, 2020

cash collected and held in reserve to pay for the Borrowers' expenses to third parties.

C) Mortgage investments

All mortgages have been designated as FVTPL. Mortgage investments are recorded at fair value, with any changes in fair value reflected in the Master Fund's statements of operations.

In determining fair value of individual mortgages, the Manager 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 Master Fund's statements of operations as an unrealized fair value adjustment.

D) Revenue recognition

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

E) Use of estimates

The preparation of financial statements in compliance with GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. 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.

F) Net earnings per unit

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

G) Prepaid unit capital

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

H) Income taxes

No provision for federal, state and local income taxes has been made in the accompanying financial statements, as individual partners are responsible for their proportionate share of the Master Fund's taxable income.

The Master Fund is not subject to any form of taxation in the Cayman Islands, including income, capital gains and withholding taxes. The Master Fund may be subject to withholding taxes on dividends and interest income imposed by countries in which it invests. The Master Fund has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from all local income, profits and capital taxes until 2028.

The Master Fund is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. The tax benefit recognized is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant taxing authorities. Based on its analysis, the Master Fund has determined that it has not incurred any liability for unrecognized tax benefits as of September 30, 2020 (2019 – nil). The Master Fund does not expect that its assessment regarding unrecognized tax benefits will materially change over the next twelve months. However, the Master Fund's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, questioning the timing and amount of deductions; the nexus of income among various tax jurisdictions; compliance with U.S. federal, U.S. state, and foreign tax laws; and changes in the administrative practices and precedents of the relevant taxing authorities.

I) Foreign currency transactions

The financial records and statements are maintained and presented in U.S. dollar, which is the Master Fund's functional and presentational currency.

J) Recently adopted accounting pronouncements

In November 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash". The new guidance requires that the statement of cash flows explain the change during the period in total cash and cash equivalents balance, and amounts generally described as restricted cash or restricted cash equivalents. Restricted cash and cash equivalents will be included with cash and cash equivalents when reconciling the beginning of period and end of period total amounts on the statement of cash flows. This new guidance was effective January 1, 2019, was applied retrospectively, and did not have an impact on the financial statements.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)
Nine months ended September 30, 2020

3. Mortgage investments

The following is a reconciliation of the Master Fund's Level 3 investments for which significant unobservable inputs were used to determine fair value at September 30, 2020:

	September 30, 2020	September 30, 2019
Mortgage Investments balance, beginning of period	\$ 437,910	\$ 255,194
Funding of mortgage investments	153,538	156,650
Discharge of mortgage investments	(79,867)	(60,128)
Unrealized loss in the value of investments	(9,850)	(2,875)
Mortgage Investments balance, end of period	\$ 501,731	\$ 348,841

Total provision for losses as of September 30, 2020 is \$15,637 (2019 - \$5,087), bringing the mortgage investments fair value balance to \$501,731 (2019 - \$348,841).

The following table summarizes the valuation methodologies and inputs used for mortgage investments categorized in level 3:

Fair value hierarchy	Sep 30, 2020 Fair value	Sep 30, 2019 Fair value	Valuation methodologies	Unobservable inputs	Ranges
Level 3	\$501,731	\$348,841	Cost less Fair value adjustment	Fair value adjustment	1% Interest Income

The following is a summary of the mortgages:

		Sep 30, 2020	Sep 30, 2019
No. of mortgages	Original Cost	Fair Value	Fair Value
First Mortgages	32	\$ 517,368	\$ 348,841

At September 30, 2020, the mortgage investment portfolio carries a weighted average effective interest rate of 11.25% (2019 - 11.24%).

The following is a summary of the original cost of mortgages segmented by interest rate:

	September 30, 2020	September 30, 2019
Less than 10.00%	\$ 54,189	\$ 62,402
10.01% - 11.00%	203,375	105,869
11.01% - 12.00%	196,496	132,087
12.01% - 20.00%	63,308	53,570
Over 20.00%	-	-
	\$ 517,368	\$ 353,928

The following is a summary of the original cost of mortgages segmented by type of mortgage:

	September 30, 2020	September 30, 2019
Construction	\$ 250,667	\$ 125,361
Pre-development	150,972	165,649
Term	115,729	62,918
	\$ 517,368	\$ 353,928

The following is a summary of the original cost of mortgage segmented by geographic location:

	September 30, 2020	September 30, 2019
Southeast	\$ 165,794	\$ 77,227
Southwest	103,862	68,061
Southcentral	99,941	69,079
Northeast	73,184	78,564
Northwest	66,587	43,497
Midwest	8,000	17,500
	\$ 517,368	\$ 353,928

4. Mortgage syndications

The Master Fund syndicates portions of its mortgage investments to third party investors, each participating in a prescribed manner per agreement and on an investment-by-investment basis. In these investments, the investors assume some risks associated with specific investment transactions as the Master Fund. Each syndicated mortgage investment has a designated rate of return that the syndicated investors expect to earn from that mortgage investment. The principal balance of mortgage investment syndications at September 30, 2020 totals \$1,000 (2019 - \$1,000) and carry a weighted average effective interest rate of 11.25% (2019 - 11.25%).

5. Partners' capital

The beneficial interests in the Master Fund are represented by a single class of units, which are unlimited in number. These units are classified as equity as they are puttable instruments that entitle the holder to a pro rata share of the Master Fund's net assets in the event of a liquidation. They are in a class of instruments that are subordinate to all other classes of instruments and have identical features. Partners 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 a withdrawal gate set at 1% of the net asset value of the Master Fund. The General Partner shall be entitled in its sole discretion to permit withdrawals at other time or waive or reduce other provisions.

If a redemption request occurs prior to 12 months of when the contribution was established, then the proceeds in respect of any such early withdrawal will be subject to a withdrawal charge equal to 4% of the amount permitted to be withdrawn.

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 General Partner shall be entitled in its sole discretion to extend the time for payment or suspend any unit redemptions if, in the reasonable opinion of the General Partner, such payment would be materially prejudicial to the interests of the remaining partners in the Master Fund. The

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)
Nine months ended September 30, 2020

General Partner does not hold any units representing the beneficial interest in the Master Fund and therefore no income or cash distributions are allocated to the General Partner.

Effective April 2020, the Fund has halted any requests for redemption due to the COVID-19 outbreak. All redemption requests have been placed in a queue which will be processed once the decision to resume redemptions is made.

The following units are issued and outstanding:

	September 30, 2020		September 30, 2019	
	Units	Amount	Units	Amount
Balance, beginning of period	39,397,784	\$ 393,978	23,887,600	\$ 238,876
Additional subscriptions	6,927,928	69,279	12,818,001	128,180
Units redeemed	(500)	(5)	(102,242)	(1,022)
Balance, end of period	46,325,212	\$ 463,252	36,603,359	\$ 366,034

6. Net asset value per unit and net earnings per unit

Net asset value per unit is calculated as total assets less total liabilities allocable to outstanding units of 46,325,212 as at September 30, 2020 (2019 - 36,603,359).

Net earnings per unit have been computed using the weighted average number of units issued and outstanding of 45,331,358 at September 30, 2020 (2019 - 30,497,835).

7. Distributions

The Master Fund makes distributions to the partners monthly on or about the 15th day of each month. The Master Fund agreement indicates that it intends to distribute 100% of the net earnings of the Master Fund to the partners. For the period ended September 30, 2020, the Master Fund had a cumulative distribution of \$0.54 per unit (2019 - \$0.64) and a total of \$24,168 (2019 - \$19,534) was paid or declared payable to the partners.

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 Master Fund, Romspen Mortgage Limited Partnership ("RMLP"), an indirect partner of the Master Fund and the Manager had the following significant related party transactions:

A) The directors of the General Partner are also owners of the Manager. Under various agreements, the Manager handles all the day-to-day affairs of the Master Fund. The Manager receives service 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. For the period ended September 30, 2020, the total amount was \$3,860 (2019 - \$2,418).

B) The Manager and related entities also receive fees directly from the Borrowers generated from the Master Fund's mortgages. For the period ended September 30, 2020, this amount was \$5,753 (2019 - \$5,181).

C) The Master Fund's accounts payable and accrued liabilities reflect \$6 due from the Manager as at September 30, 2020 (2019 - \$1).

D) RMLP provides temporary funding to assist in the Master Fund's ability to fund loans. These loans are in priority of equity and are usually arranged to be repaid within the year. These loans are due on demand and bear an interest rate of US prime plus 1.25%. As of September 30, 2020, a balance of \$79,000 (2019 - \$17,355) is outstanding and total interest incurred for the period ended September 30, 2020 was \$2,558 (2019 - \$1,082).

9. Financial instrument risk management

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

A) 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 Manager manages this risk by investing primarily in short-term mortgages. The Master Fund'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 Master Fund's mortgages will evolve such that in periods of higher market interest rates, the Master Fund's 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 Master Fund's investments are in fixed rate, short-term mortgages. The Master Fund generally holds all of its mortgages to maturity.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)
Nine months ended September 30, 2020

There is no secondary market for the Master Fund's mortgages and in syndication transactions; these mortgages are generally traded at face value without regard to changes in market interest rates.

B) Credit risk

Credit risk is the risk of loss due to counterparty to a financial instrument failing to discharge their obligations. It arises from mortgage investments held. The Master Fund's sole activity is to discharge their obligations and invest 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 the U.S. could result in declines in the value of real property securing the Master Fund's mortgage investments. The Manager manages credit risk by adhering to the investment and operating policies, as set out in its offering documents.

The Master Fund focuses its investments in the commercial mortgage market segments, 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 Manager regularly reviews and approves each mortgage investment and review the overall portfolio to ensure it is adequately diversified.

C) Liquidity risk

Liquidity risk is the risk that the Master Fund will not have sufficient cash to meet its obligations as they become due. The Master Fund mitigates this risk by monitoring the scheduled mortgage repayments and ensuring that sufficient funds are available in the near term to satisfy all of its obligations. The Master Fund's obligations are primarily those which arise under the Mortgage Management Agreement and its Limited Partnership Agreement. In the current economic climate and capital markets, the lenders may continue to tighten their lending standards which could make it challenging for the Master Fund to obtain financing on favourable terms, or to obtain financing at all.

An arrangement is made between the Master Fund and RMLP for temporary funding, which is generally repaid within the year. The Master Fund is obliged to pay interest at US prime plus 1.25%, which are funded out of interest income earned from the Master Fund.

Partners in the Master Fund have the limited right to redeem their units, as described in its offering documents. The General Partner is entitled, in its sole discretion, to extend the time for payment of any redemption if, in their reasonable opinion, such payment would be materially prejudicial to the interests of the remaining partners.

D) Market risk

Market risk is the risk that the fair value of the collateral securing any of the Master Fund's mortgage investments falls to a level approaching the loan amount. The Manager ensures that it is aware of real estate market conditions in the regions in which the Master Fund operates. Real estate market trends are monitored on an ongoing basis and the Master Fund's lending practices and policies are adjusted, when necessary.

E) Capital risk management

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

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

10. Commitments

Pursuant to certain lending agreements, the Master Fund is committed to fund additional loan advances. The unfunded loan commitments under the existing lending agreements at September 30, 2020 were \$88,751 (2019 - \$128,101).

The Master Fund, from time to time, may be involved in various claims, legal and tax proceedings and complaints arising in the ordinary course of business. The Master Fund is not aware of any pending or threatened proceedings that would have a material adverse effect on the financial condition or future results of the Master Fund.

NOTES TO FINANCIAL STATEMENTS

(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)
Nine months ended September 30, 2020

11. Financial highlights

Below is a summary of the Master Fund's financial highlights for the period ended September 30, 2020, on a per unit basis:

	September 30, 2020	September 30, 2019
Per unit operating performance:		
Net asset value, beginning of period	\$ 10.00	\$ 10.00
Income from investment operations:		
Net realized and change in unrealized gain on investments	0.54	0.64
Investment distribution declared	(0.54)	(0.64)
Net asset value, end of period	\$ 10.00	\$ 10.00

	September 30, 2020	September 30, 2019
Ratio to average net assets:		
Expenses	3.70%	2.21%

12. Subsequent Events

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and ongoing with various cities and countries around the world responding in different ways to address the outbreak. The Manager will continue to monitor the impact of COVID-19 on the Master Fund's investments. The extent of the effect of the COVID-19 pandemic on the Master Fund remains uncertain at this time.

From October 1, 2020 to October 31, 2020, the Master Fund issued additional subscriptions of \$239 and redemptions are on hold until further notice.