

An aerial photograph of a city landscape. In the foreground, a large multi-story building is under construction, with its steel framework visible. To the left of the building, a tall construction crane stands. In the background, a golf course with several green fairways and sand traps is visible. Beyond the golf course, a dense urban area with various high-rise buildings and apartment complexes stretches towards the horizon. The sky is clear and blue.

Q1 2022 Report

Romspen Mortgage Investment Fund

Romspen

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 Canada with a portfolio in excess of \$2.6 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 more than 25 consecutive years of positive net investor yields¹ ranging from 5.8% - 10.6%, with positive performance every month.

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





Contents

4	Trustees' Letter
7	Financial Highlights
10	Management's Discussion & Analysis
22	Fund Financial Statements
46	Trustees & Management
47	Unitholder Information



Trustees' Letter

Dear Fellow Investors:

The Fund's financial performance for the first quarter of 2022 met expectations, with healthy loan origination activity and steady unitholder distributions reflecting the continuing strength of most real estate markets as pandemic-induced disruptions abated.

Comparative Performance

The compounded net yield based on unit value for the first quarter of 2022 was 1.9% versus 1.8% a year ago. For the twelve-month period ended March 31, 2022, the Fund's compounded net yield to unitholders was 8.0%.

Financial Highlights

For the first quarter of 2022, the Fund earned net income of \$46.3 million or \$0.16 per unit compared to \$40.1 million or \$0.13 per unit a year ago. Earnings were 16% higher than in 2021. Distributions were \$51.8 million (\$0.18 per unit) and the net yield to investors was 1.9% in the first quarter, compared to \$54.1 million (\$0.17 per unit) and 1.8% a year ago, with positive performance in all months. The Fund had net debt (debt less cash) of \$204.5 million compared to \$3.3 million of net debt a year ago.

At March 31, 2022, the net portfolio (138 mortgages and investments) was \$2.6 billion, a decrease of 6% compared to the first quarter of 2021, and reflective of increased loan repayments. Investors' unit capital totalled \$2.8 billion, compared to \$3.1 billion last year. The Fund's portfolio and earnings remain well diversified by property type, geography, loan type, size and currency. Canadian mortgages comprised 50% of the Fund, down from 53% last year, with the majority concentrated in

Ontario (22%) and BC (15%). US mortgages represented 50% of the Fund, comprised of 83 US mortgages across 19 states with the largest concentrations in California (30%), Texas (18%) and Florida (16%).

The weighted average interest rate of the portfolio at March 31, 2022 was 9.4% compared to 10.2% a year ago. The total loss provision at quarter end decreased to \$114.6 million (\$0.40 per unit) from \$143.7 million a year ago but continues to provide a solid margin of safety.

Net Asset Value ("NAV") at March 31, 2022 was \$9.71 per unit compared to \$9.73 per unit last year. At quarter end, approximately 82% of the Fund's foreign exchange exposure is hedged by the borrowers directly, by the US line of credit, or through forward contracts.

Non-performing loans in the mortgage portfolio are 28%, reflecting a continued overhang from COVID-19-induced challenges. While somewhat higher than the Fund's typical historic range of 20-25%, we are seeing a trending reduction in absolute dollar terms. As we emphasize, non-performing loans do not indicate a loss of principal and tend to have more of an impact of monthly distributions than on NAV. Nevertheless, reducing the size of the non-performing loans remains a key priority.

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 mortgage loan portfolio. To provide useful, transparent and comparable information, a set of combined financial statements, similar to previous Fund reporting, has been included in the Management's Discussion and Analysis ("MD&A", pp. 10-21). It is encouraged that these financials in the MD&A are used as the primary reference point.

Outlook

We are pleased with the Fund's performance year-to-date and on a trailing 12-months basis, both on an absolute basis and relative to other major asset classes.

While first quarter results were positive, as we enter the second quarter of 2022, potentially volatile macroeconomic events and signals compel us to stick to our tried-and-true focus on quality loans to superior sponsors in resilient markets, with an ever-vigilant eye on risk and a margin of safety.

The Canadian economy experienced strong growth and historically low unemployment in the first quarter, and robust consumer demand and a burgeoning energy and resource sector should continue this trend, although inflation, the near certainty of further Bank of Canada rate hikes, supply chain disruptions, continued geopolitical conflict and growing household debt figures present some potential dark clouds. We expect the industrial and multi-family sectors to continue their trend as the most active and liquid asset classes, joined by selective improvements in office and retail

absorption rebound in some markets due to an anticipated uptick in service sector activity and consumer spending. Construction loan opportunities continue to present themselves, but given rising building costs and supply disruptions, they will require experienced borrowers with the financial wherewithal to shoulder cost overruns and project delays, along with project financial proformas that bear heightened underwriting scrutiny.

In the US, more pronounced inflation has seen a more hawkish pivot by the Federal Reserve, with overall real GDP growth estimates having been subject to recent downward revisions. US equity and bond markets have seen significant drawdowns. Increased consumer mortgage rates and an improving supply-demand balance will likely dampen the acceleration of residential prices through the remainder of 2022, but our focus on lending into regional markets with solid absorption metrics tends to provide a buffer against such macro forces. Increased secular interest rates should moderately increase the Fund's pricing power without any sacrifice to credit quality, and although rate increases may lead to rises in cap rates across real estate asset classes, historically, such a correlation has not always been borne out, especially in residential assets when rental rates are increasing.

Against this backdrop, we expect that our bottom-up approach to risk underwriting, with its emphasis on regional and local submarkets where favourable supply/demand imbalances continue to provide our borrowers with value-

Trustees' Letter

enhancing pricing power, on projects with shorter completion horizons, on well-capitalized borrowers with significant project equity positions, and on low loan-to-value metrics, will continue to serve our investors well in the quarter and year ahead, even if broader economic circumstances exhibit volatility.

We expect that this core approach to mortgage investing, when combined with our avoidance of structural leverage to boost returns, will provide a degree of protection if recessionary forces emerge.

We thank you for your continued support.

Respectfully submitted,

Sheldon Mark Arthur Wesley
Esbin Hilson Resnick Roitman

Trustees of the Fund, July 8, 2022



Romspen Mortgage Investment Fund

2022 Q1 Highlights

Key Metrics

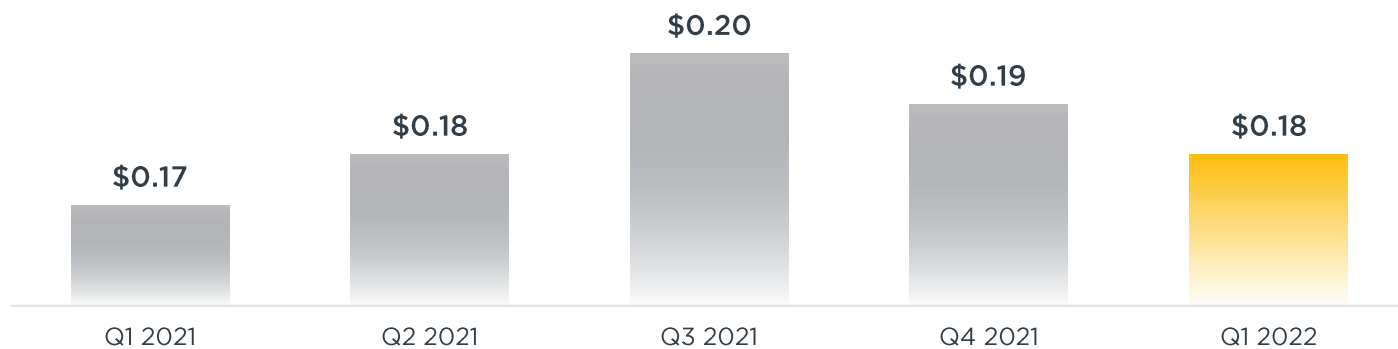
Net Earnings (\$ millions)



Net Leverage (% of net investment portfolio)



Unitholder Distributions (\$/unit)



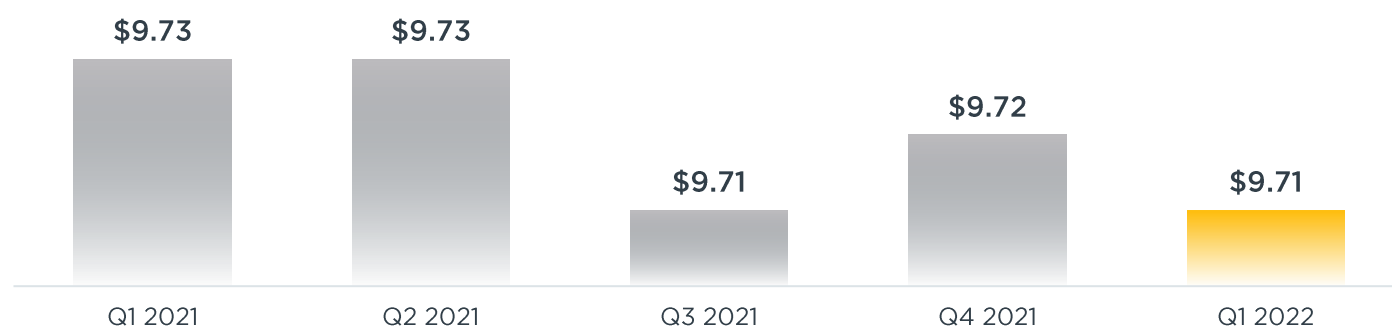
Romspen Mortgage Investment Fund 2022 Q1 Highlights

Key Metrics

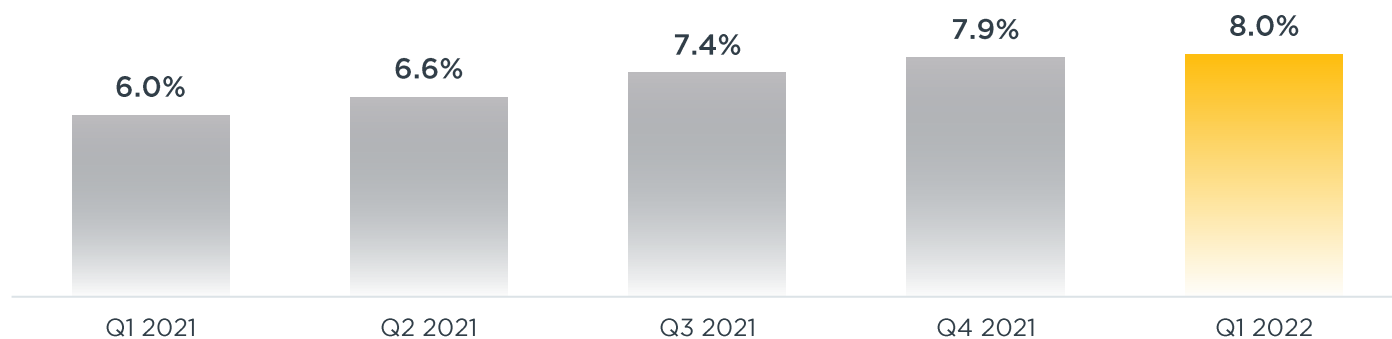
Net Investment Portfolio (\$ millions)



Net Asset Value (\$/unit)



Unitholder Yield²

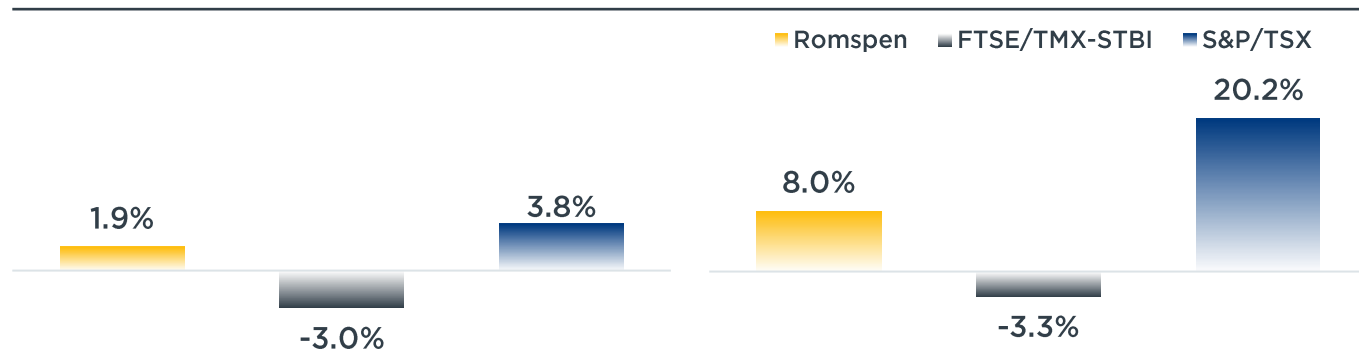


²Yield is calculated based on a cash-on-cash basis, net of fees, and assumes a monthly reinvestment of distribution. It does not take into account income taxes, changes in unit values, third-party expenses or redemption charges.



Comparative Performance

Romspen yields are net; comparative benchmarks are gross returns³.
As of March 31, 2022

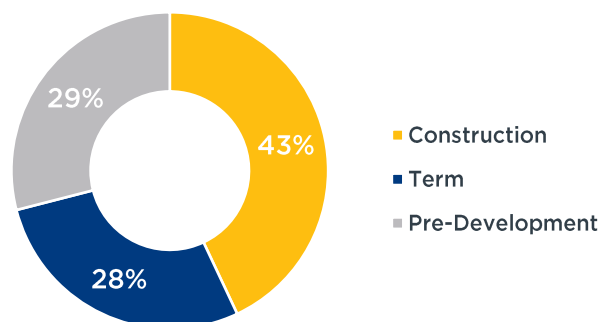


³Yield is calculated based on a cash-on-cash basis, net of fees, and assumes a monthly reinvestment of distribution. It does not take into account income taxes, changes in unit values, third-party expenses or redemption charges.

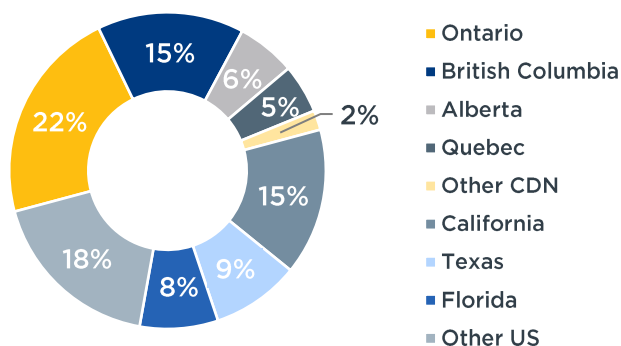
Investment Portfolio Profile

As of March 31, 2022

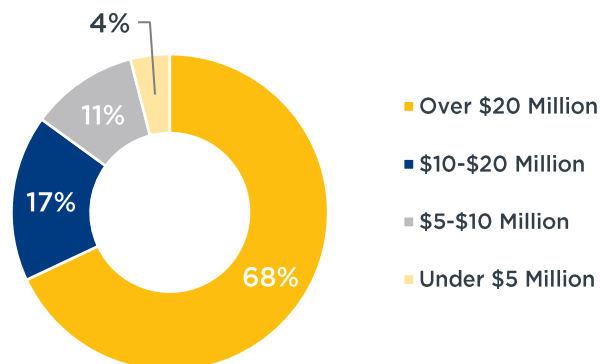
By Type



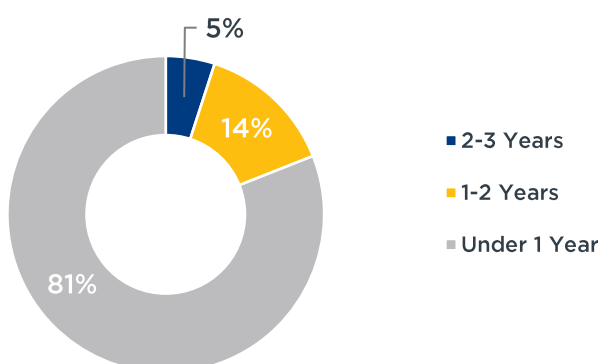
By Geography



By Amount



By Maturity



Management's Discussion & Analysis

Responsibility of Management

This Management's Discussion and Analysis ("MD&A") for Romspen Mortgage Investment Fund (the "Fund") should be read in conjunction with the financial statements and notes thereto for the quarter ended March 31, 2022 included herein and the audited financial statements and MD&A for the year ended December 31, 2021. 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 the Fund's website at: www.romspen.com.

Management is responsible for the information disclosed in this MD&A. The Fund has in place appropriate procedures, systems and controls to ensure such information is materially complete and reliable. In addition, the Fund's trustees have reviewed and approved the MD&A and the financial statements for the quarter ended March 31, 2022.

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 management 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 resulting from the outbreak of 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 May 20, 2005. The Fund is a non-bank lender providing and investing primarily in short-term 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, federal legislation came into force that altered the tax 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.

Management's Discussion & Analysis

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 at: 416-966-1100.

Portfolio

As of March 31, 2022, the Fund's mortgage and investment portfolio (the "Portfolio"), net of fair value provisions, was \$2.6 billion compared to \$2.8 billion at March 31, 2021. This decrease of \$0.2 billion or 6% reflects a higher volume of loan repayments relative to fundings. The Portfolio included 138 mortgages and investments compared to 142 at the same time last year.

Approximately 96% of the Portfolio consisted of first mortgages at March 31, 2022 (March 31, 2021 — 94%). The weighted average interest rate of the Portfolio was 9.4% compared to 10.2% a year ago.

The Portfolio continues to consist mainly of short-term mortgages to third parties and mortgages to the Fund's subsidiaries. Approximately 81% of the Portfolio's investments mature within one year (March 31, 2021 — 93%) and 95% mature within two years (March 31, 2021 — 100%). In addition, all our mortgages are open for repayment prior to maturity. The short-term nature of the Fund's portfolio permits opportunities to continually and rapidly evolve in response to changes in the real estate and credit markets. The Fund Manager believes this flexibility is far more



\$2.6B

Fair value,
net of provisions



138

Mortgages &
investments



96%

First mortgages



9.4%

Weighted average
interest rate



81%

Mature within one year

Management's Discussion & Analysis

important in our market niche than securing long-term fixed interest rates.

As of March 31, 2022, approximately 22% of the Fund's investments were in Ontario, same as the previous year. Approximately 21% of the Portfolio was invested in Western Canada, 5% in Quebec, 2% in other provinces and 50% in the US. The Fund Manager believes this broad level of North American diversification adds stability to the Fund's performance by reducing dependency on the economic activity and cycles in any given geographic region.

Total fair value provisions as of March 31, 2022, were \$114.6 million, which represented 4.0% of the original cost of the Fund's investments or \$0.40 per unit outstanding as at March 31, 2022. The establishment of the fair value provision is based on facts and interpretation of circumstances relating to the Fund's portfolio. Thus, it is a complex and dynamic process influenced by many factors. The provision relies on the judgment and opinions of individuals regarding historical trends, prevailing legal, economic and regulatory trends, and expectations of future developments. The process of determining the provision involves a 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

March 31, 2022, with comparative information for 2021

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)	March 31, 2022	December 31, 2021	March 31, 2021
Assets			
Cash	\$ 38,526	\$ 44,338	\$ 96,675
Accrued interest receivable	207,395	193,181	189,896
Mortgage investments	1,695,452	1,689,135	1,856,970
Investment in subsidiaries	410,022	407,620	460,192
Investment in TIG Romspen US Master Mortgage LP	672,381	682,245	548,652
Foreign exchange forward contracts	6,880	-	48,311
Other assets	22,377	15,247	9,361
	\$ 3,053,033	\$ 3,031,766	\$ 3,210,057
Liabilities and Unitholders' Equity			
Revolving loan facility	\$ 242,992	\$ 175,356	\$ 100,000
Accounts payable and accrued liabilities	8,005	7,775	5,904
Foreign exchange forward contracts	-	7,852	-
Prepaid unit capital	2,324	2,868	2,250
Unitholders' distributions payable	17,216	17,469	19,018
	270,537	211,320	127,172
Units submitted for redemption	232,982	202,113	91,815
Unitholders' equity	2,549,514	2,618,333	2,991,070
	\$ 3,053,033	\$ 3,031,766	\$ 3,210,057

Combined Statement of Earnings

Three months ended March 31, 2022, with comparative information for 2021

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

(In thousands of dollars, except per unit amounts, unless otherwise noted)		3 months ended March 31, 2022	3 months ended March 31, 2021
Revenue			
Mortgage interest	\$	40,582	\$ 45,320
Income from investment in TIG Romspen US Master Mortgage LP		13,391	9,973
Other		1,288	1,430
Gain (loss) on foreign exchange		(3,151)	(976)
		52,110	55,747
Expenses			
Management fees		5,485	6,122
Interest		2,194	965
Change in fair value of mortgage investments & investments in subsidiaries		(3,326)	7,159
Realized loss on mortgage investments		652	-
Other (gains) losses		(7)	335
Audit fees		116	86
Legal fees		-	1
Other		673	1,016
		5,787	15,684
Net earnings	\$	46,323	\$ 40,063
Net earnings per unit	\$	0.16	\$ 0.13
Weighted average number of units issued and outstanding		287,686,144	318,746,640



Combined Statement of Changes in Unitholders' Equity

Three months ended March 31, 2022, with comparative information for 2021

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)	March 31, 2022	December 31, 2021	March 31, 2021
Unit capital			
Balance, beginning of year	\$ 2,707,995	\$ 3,140,282	\$ 3,140,282
Issuance of units	55,362	213,087	37,451
Redemption of units	(87,852)	(482,961)	(52,442)
Decrease (increase) in units submitted for redemption	(30,869)	(162,413)	(52,115)
Balance, end of period	\$ 2,644,636	\$ 2,707,995	\$ 3,073,176
Cumulative earnings			
Balance, beginning of year	\$ 1,490,744	\$ 1,286,290	\$ 1,286,290
Net earnings	46,323	204,454	40,063
Balance, end of period	\$ 1,537,067	\$ 1,490,744	\$ 1,326,353
Cumulative distributions to unitholders			
Balance, beginning of year	\$ (1,580,406)	\$ (1,354,388)	\$ (1,354,388)
Distributions to unitholders	(51,783)	(226,018)	(54,071)
Balance, end of period	\$ (1,632,189)	\$ (1,580,406)	\$ (1,408,459)
Unitholders' equity	\$ 2,549,514	\$ 2,618,333	\$ 2,991,070
Units issued and outstanding, excluding units submitted for redemption	262,701,041	269,265,075	307,532,383

Combined Statement of Cash Flows

Three months ended March 31, 2022, with comparative information for 2021

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)	3 months ended March 31, 2022	3 months ended March 31, 2021
Cash provided by (used in):		
Operations		
Net earnings	\$ 46,323	\$ 40,063
Items not affecting cash:		
Amortization of revolving loan facility financing costs	95	124
Change in fair value of mortgage investments and investment in subsidiaries	(3,326)	7,159
Income from investment in TIG Romspen US Master Mortgage LP	118	4,340
Realized loss on mortgage investments	652	-
Unrealized loss on foreign exchange	6,371	13,272
Other (gains) losses	(7)	335
Change in non-cash operating items:		
Accrued interest receivable	(14,557)	(22,041)
Other assets	(7,371)	(883)
Accounts payable and accrued liabilities and unitholders' distributions payable	237	995
	28,535	43,364
Financing		
Proceeds from issuance of units	34,365	17,583
Distributions paid to unitholders	(31,039)	(31,176)
Redemption of units	(87,852)	(52,442)
Prepaid unit capital	(544)	2,250
Change in revolving loan facility	68,001	(31,331)
	(17,069)	(95,116)
Investments		
Funding of mortgage investments	(124,788)	(79,374)
Discharge of mortgage investments	108,368	116,792
Net discharge (funding) of investment in subsidiaries	(858)	20,939
Net redemption of investment in TIG Romspen US Master Mortgage LP	-	5,019
	(17,278)	63,376
Increase (decrease) in cash	(5,812)	11,624
Cash, beginning of year	44,338	85,051
Cash, end of period	\$ 38,526	\$ 96,675



Management's Discussion & Analysis

Investment in Subsidiaries

The controlled subsidiaries acquire control of properties in order to complete 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	March 31, 2022
Guild	100%	Office complex	CA	\$ 20,781
Aspen Lakes	100%	Residential development	CA	8,866
Almonte	50%	Retail plaza	CA	5,736
Bear Mountain	100%	Office complex	CA	377
Liberty Ridge	100%	Residential subdivision	CA	63,863
Planetwide	100%	Land for residential development	CA	4,808
Royal Oaks	100%	Residential subdivision	CA	12,858
Haldimand	100%	Landfill	CA	30,728
High Street	100%	Commercial/Residential	CA	24,707
Egreen	100%	Land for industrial development	CA	1,566
Carolina Golf	100%	Golf courses	US	14,360
LE Ranch	100%	Residential	US	17,507
Springville	100%	Land for commercial development	US	21,794
Big Nob	100%	Land for residential development	CA	4,552
Midland	100%	Land for residential development	CA	4,652
Kettle Creek	100%	Land for residential development	CA	50,191
Langford Lake	100%	Land for residential development	CA	36,991
Ponderosa	100%	Land for residential development	CA	35,314
Drought	100%	Land for residential development	CA	11,371
Northern Premier	100%	Land for industrial development	CA	10,448
Hampton Circle	100%	Residential construction	CA	4,541
Southpoint Landing	100%	Residential	CA	1,289
RIC Hampton Inc.	100%	Commercial	CA	6,592
Environmaster	100%	Environment and recycling	CA	32,526
Kawartha Downs	100%	Leisure and entertainment	CA	19,342
Nisku	100%	Industrial predevelopment	CA	14,710
				\$ 460,470
Fair value adjustment				(50,448)
				\$ 410,022



Management's Discussion & Analysis

Income Statement Highlights

Total revenues for the quarter ended March 31, 2022 were \$52.1 million compared to \$55.7 million in the previous year.

Net earnings for the quarter were \$46.3 million compared to \$40.1 million for the same period last year. The basic weighted average earnings per unit for the quarter were \$0.16 per unit compared to \$0.13 last year.

For the quarter ended March 31, 2022, the Fund distributed \$51.8 million or \$0.18 per unit compared to \$54.1 million or \$0.17 per unit for the quarter ended March 31, 2021. The simple and compounded net yields to unitholders for the three-month period ended March 31, 2022 were 1.9% and 1.9% respectively.

Provision for losses on the Portfolio value reflected a decrease of \$3.3 million in the first quarter of 2022. During the same period, the Fund realized a loss of \$0.7 million on one loan. Management and other fees payable to the Fund Manager and other general and administrative expenses of the Fund were \$6.3 million for the quarter ended March 31, 2022 compared to \$7.2 million in the prior year. These expenses were marginally lower than the previous year and reflect the smaller Portfolio value.

Balance Sheet Highlights

Total assets as of March 31, 2022 were \$3.1 billion compared to \$3.2 billion a year ago. Under IFRS, mortgages that are provided to

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 \$38.5 million of excess cash at quarter end.

Total liabilities excluding units submitted for redemption as of March 31, 2022 were \$270.5 million compared to \$127.2 million a year earlier. Liabilities at the end of the quarter were comprised mainly of \$243.0 million drawn against the revolving loan facility. 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. At March 31, 2022, the net bank debt (debt less unrestricted cash) was \$204.5 million (7.4% of the net portfolio) compared to \$3.3 million (0% of the net Portfolio) a year ago.

Unitholders' equity including units submitted for redemption as of March 31, 2022 were \$2.8 billion, as compared to \$3.1 billion a year ago. There was a total of 286,707,454 units outstanding on March 31, 2022 compared to 316,972,545 on March 31, 2021. There are no options or other commitments to issue additional units.



Management's Discussion & Analysis

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 by 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 March 31, 2022, borrowings totalled approximately 9% of the book value of investments held by the Fund compared to 3% as at March 31, 2021.

During the three months ended March 31, 2022, there were \$32.5 million of net redemptions compared to \$15.0 million during the same period in 2021.

The Fund's mortgages are largely short-term in nature allowing the continual repayment by borrowers of existing mortgages to create 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 return 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 that 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 risks related to its financial instruments 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

While the current environment of inflationary forces and rising interest rates is a concern for consumers and for investors in many markets and industries, the impacts on most real estate markets, both equity and debt, will likely be more muted. Fundamentals across most real estate asset classes in both Canada and the US remain strong or are improving. And though many observers point to the possibility of a recession in the US, induced by the Fed's aggressive monetary tightening, with a made-in-Canada version following later in 2023, the



Management's Discussion & Analysis

Fund, over its history, has exhibited performance resilience to negative macroeconomic forces.

The continuing strength and liquidity of most real estate asset classes presents a solid environment to pursue opportunities in select markets with quality borrowers. We anticipate it will also be a contributing factor to the reduction of non-performing loans on both an absolute level and as a percentage of the Portfolio. Steady and attractive cap rates should create a floor for attractive valuations, transactions and refinance activity will likely remain robust -- creating opportunities for borrowers to monetize their positions and repay loans, and for the Fund to exit some of its owned properties at prices above book value.

The Fund's annualized yields have returned to historical levels, and we expect this to continue. The reduction of the backlog in redemption requests remains an operational priority for the Fund that, as previously noted, the trustees intend to address by determining a prudent monthly allocation of capital to be dedicated to an increased redemption amount. We do appreciate that waiting for a redemption request to be completed is frustrating, and we thank our investors for their patience and understanding as the Fund continues to manage its way back to a liquidity profile in line with historical levels, while at the same time using our investors' capital to invest in prudent and accretive mortgage loan investments across North America.



An aerial photograph of a city, likely Vancouver, showing a wide river (False Creek) flowing through the urban landscape. A large bridge spans the river, and a highway runs alongside it. The city is densely packed with buildings, and a forested hillside is visible in the background. The sky is overcast.

Financial Statements

Romspen Mortgage Investment Fund

Three months ended March 31, 2022 (Unaudited)

Interim Unconsolidated Statement of Financial Position

March 31, 2022, with comparative information for 2021

(In thousands of dollars, except per unit amounts, unless otherwise noted)		March 31, 2022 (unaudited)	December 31, 2021 (audited)
Assets			
Cash	\$	2,592	\$ 3,011
Investment in Romspen Mortgage Limited Partnership, at fair value through profit or loss (note 3)		2,800,211	2,838,495
Other assets		-	-
	\$	2,802,803	\$ 2,841,506
Liabilities and Unitholders' Equity			
Liabilities:			
Accounts payable and accrued liabilities		767	723
Prepaid unit capital		2,324	2,868
Unitholders' distributions payable		17,216	17,469
		20,307	21,060
Units submitted for redemption (note 4)		232,982	202,113
Unitholders' equity (note 4)		2,549,514	2,618,333
Commitments and contingent liabilities (note 9)		-	-
	\$	2,802,803	\$ 2,841,506
Net asset value per unit (note 5)	\$	9.71	\$ 9.72

See accompanying notes to financial statements.



Interim Unconsolidated Statement of Comprehensive Income

Three months ended March 31, 2022, with comparative information for 2021

(In thousands of dollars, except per unit amounts, unless otherwise noted)		3 Months ended March 31, 2022 (unaudited)	3 Months ended March 31, 2021 (unaudited)
Income from investment in Romspen Mortgage Limited Partnership:			
Distributions from Romspen Mortgage Limited Partnership	\$	30,785	\$ 34,203
Unrealized appreciation in net assets of Romspen Mortgage Limited Partnership (note 3)		17,785	8,351
		48,570	42,554
Expenses:			
Management fees (note 8 (a))		1,810	2,020
Audit fees		116	86
Legal fees and other		321	385
		2,247	2,491
Net income and comprehensive income	\$	46,323	\$ 40,063
Net income and comprehensive income per unit (note 5)	\$	0.16	\$ 0.13
Weighted average number of units issued and outstanding (note 5)		287,686,144	318,746,640

See accompanying notes to financial statements.



Interim Unconsolidated Statement of Changes in Unitholders' Equity

Three months ended March 31, 2022, with comparative information for 2021

(In thousands of dollars, except per unit amounts, unless otherwise noted)		March 31, 2022 (unaudited)	March 31, 2021 (unaudited)
Unit Capital:			
Balance, beginning of year	\$	2,707,995	\$ 3,140,282
Issuance of units (note 4)		55,362	37,451
Redemption of units (note 4)		(87,852)	(52,442)
Decrease (increase) in units submitted for redemption		(30,869)	(52,115)
Balance, end of period	\$	2,644,636	\$ 3,073,176
Cumulative earnings:			
Balance, beginning of year	\$	1,490,744	\$ 1,286,290
Net income and comprehensive income		46,323	40,063
Balance, end of period	\$	1,537,067	\$ 1,326,353
Cumulative distributions to unitholders:			
Balance, beginning of year	\$	(1,580,406)	\$ (1,354,388)
Distributions to unitholders (note 6)		(51,783)	(54,071)
Balance, end of period	\$	(1,632,189)	\$ (1,408,459)
Unitholders' equity	\$	2,549,514	\$ 2,991,070
Units issued and outstanding, excluding units submitted for redemption		262,701,041	307,532,383

See accompanying notes to financial statements.



Interim Unconsolidated Statement of Cash Flows

Three months ended March 31, 2022, with comparative information for 2021

(In thousands of dollars)	3 Months ended March 31, 2022 (unaudited)	3 Months ended March 31, 2021 (unaudited)
Cash provided by (used in):		
Operations:		
Net income and comprehensive income	\$ 46,323	\$ 40,063
Items not affecting cash:		
Unrealized appreciation in net assets of Romspen Mortgage Limited Partnership (note 3)	(17,785)	(8,351)
Change in non-cash operating items:		
Accounts payable and accrued liabilities and other assets	44	(83)
	28,582	31,629
Financing:		
Proceeds from issuance of units (note 4)	34,365	17,583
Distributions paid to unitholders (note 6)	(31,039)	(31,176)
Redemptions of units (note 4)	(87,852)	(52,442)
Changes in prepaid unit capital	(544)	2,250
	(85,070)	(63,785)
Investments:		
Net redemption of investment in Romspen Mortgage Limited Partnership (note 3)	56,069	34,318
	56,069	34,318
Increase (decrease) in cash	(419)	2,162
Cash, beginning of year	3,011	152
Cash, end of period	\$ 2,592	\$ 2,314

See accompanying notes to financial statements.



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

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 March 31, 2022, the Partnership indirectly owns 78.84% (2021 – 80.16%) 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.

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 July 8, 2022.

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 March 31, 2022 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.



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

B) Judgement

Judgement has been made in applying accounting policy regarding accounting for 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 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 period by the weighted average number of units issued and outstanding during the period.

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 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' distributions payable	Amortized cost

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 Partnership at fair value. The Partnership is not consolidated by the Fund.

Schedule of the Fund's investment in the Partnership:

	March 31, 2022	March 31, 2021
Investment balance, beginning of year	\$ 2,838,495	\$ 3,128,570
Net withdrawal of investment in the Partnership	(56,069)	(34,318)
Unrealized appreciation in net assets of the Partnership	17,785	8,351
Investment balance, end of period	\$ 2,800,211	\$ 3,102,603



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

The Partnership's statements 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:

	March 31, 2022 (unaudited)	December 31, 2021 (unaudited)
Assets		
Cash	\$ 35,934	\$ 41,327
Accrued interest receivable	207,395	193,181
Mortgage investments (note 3(b))	1,695,452	1,689,135
Investment in subsidiaries (note 3(c))	410,022	407,620
Investment in USMLP (note 3(d))	672,381	682,245
Foreign exchange forward contracts (note 3(f))	6,880	-
Other assets	22,377	15,247
	\$ 3,050,441	\$ 3,028,755
Liabilities and Unitholders' Equity		
Liabilities:		
Revolving loan facility (note 3(e))	\$ 242,992	\$ 175,356
Foreign exchange forward contracts (note 3(f))	-	7,852
Accounts payable and accrued liabilities	7,238	7,052
	250,230	190,260
Fair value of net assets attributable to unitholders of the Partnership	2,800,211	2,838,495
	\$ 3,050,441	\$ 3,028,755

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

	3 months ended March 31, 2022 (unaudited)	3 months ended March 31, 2021 (unaudited)
Revenue		
Mortgage interest	\$ 40,582	\$ 45,320
Income from Investment in USMLP (note 3(d))	13,391	9,973
Other	1,288	1,430
Foreign exchange loss (note 3(f))	(3,151)	(976)
	52,110	55,747
Expenses		
Management fees (note 8(b))	3,675	4,102
Interest	2,194	965
Change in fair value of mortgage investments and investment in subsidiaries	(3,326)	7,159
Realized loss on mortgage investments	652	-
Other losses (gains)	(7)	335
Legal fees and other	352	632
	3,540	13,193
Comprehensive income	\$ 48,570	\$ 42,554

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 comprehensive 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



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

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 investment 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)).

iii) Investment in USMLP

The Partnership indirectly owns 78.84% of USMLP as at March 31, 2022 (2021 – 80.16%) through Romspen Liberty LP ("Liberty LP"). The Partnership does not consolidate USMLP or Liberty 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



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

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 measured at fair value, which approximates amortized cost.

Financial assets classified as FVTPL are carried at fair value on the financial 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:

			March 31, 2022	March 31, 2021
	Number of mortgages	Original cost	Fair Value	Fair Value
First mortgages	72	\$ 1,694,950	\$ 1,636,957	\$ 1,700,338
Second mortgages	4	58,495	58,495	156,632
		\$ 1,753,445	\$ 1,695,452	\$ 1,856,970

A reconciliation of the mortgage investments is as follows:

	March 31, 2022	March 31, 2021
Investments balance, beginning of year	\$ 1,689,135	\$ 1,909,989
Funding of mortgage investments ⁽ⁱ⁾	124,788	79,374
Discharge of mortgage investments	(108,368)	(116,792)
Gain (loss) in the value of investments	475	(7,159)
Realized loss on investments	(652)	-
Foreign currency adjustment on investments ⁽ⁱ⁾	(9,926)	(8,442)
Investments balance, end of period	\$ 1,695,452	\$ 1,856,970

(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.



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

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.

The mortgage investments portfolio bears interest at a weighted average rate of 9.93% (2021 – 11.01%).

Principal repayments based on contractual maturity dates are as follows:

Overhold	\$ 356,251
2022	974,898
2023	159,720
2024	229,233
2025	33,343
	\$ 1,753,445

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

	March 31, 2022	March 31, 2021
Investment in subsidiaries at cost	\$ 460,470	\$ 533,060
Fair value adjustment	(50,448)	(72,868)
	\$ 410,022	\$ 460,192

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

A reconciliation of investment in subsidiaries is as follows:

	March 31, 2022	March 31, 2021
Investment balance, beginning of year	\$ 407,620	\$ 481,131
Funding in investment	8,512	1,548
Sale of investment	(7,654)	(22,487)
Realized gain on investment	2,851	-
Foreign currency adjustment on investment ⁽ⁱ⁾	(1,307)	-
Investment balance, end of period	\$ 410,022	\$ 460,192

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

The fair value of 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, capitalization rates, future cashflows and liquidity assumptions.

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 and Romspen.

As at March 31, 2022, the Partnership indirectly owns 78.84% (2021 – 80.16%) of USMLP, through Liberty LP.



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

Schedule of investment in USMLP:

	March 31, 2022	March 31, 2021
Investment balance, beginning of year	\$ 682,245	\$ 559,754
Funding of investment in USMLP	-	(5,019)
Partnership's share in USMLP net income	13,391	9,973
Dividend received from USMLP	(13,509)	(14,314)
Foreign currency adjustment on investment	(9,746)	(1,743)
Investment balance, end of period	\$ 672,381	\$ 548,652

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:

	March 31, 2022 (unaudited)	December 31, 2021 (unaudited)
Assets		
Cash and restricted cash	\$ 153,962	\$ 52,084
Accrued interest	27,033	32,189
Mortgage investments, at fair value	707,744	780,663
Other assets	6,026	5,563
	\$ 894,765	\$ 870,499
Liabilities and Partners' Capital		
Liabilities:		
Mortgage investment Syndication	\$ 58,237	\$ 39,302
Accounts payable and accrued liabilities	8,876	9,201
Due to the Partnership	93,721	95,086
Distributions payable	5,704	5,489
	166,538	149,078
Partners' capital	728,227	721,421
	\$ 894,765	\$ 870,499

Statement of non-consolidated comprehensive income:

	3 months ended March 31, 2022 (unaudited)	3 months ended March 31, 2021 (unaudited)
Investment income		
Mortgage interest	\$ 19,734	\$ 15,471
Other	382	52
	20,116	15,523
Expenses		
Service fees	1,904	1,506
Interest	1,064	1,110
Change in fair value of mortgage investments	-	-
Accounting and legal fees	66	85
Other	160	127
	3,194	2,828
Net investment income	\$ 16,922	\$ 12,695

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 US prime plus 1.25% and are usually paid down within a year. As of March 31, 2022, a balance of \$93,720 (2021 - \$99,343) (equivalent of \$75,000 USD (2021 - \$79,000 USD)) is outstanding and included in the investment balance.



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

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 value of mortgages approximates 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:

	March 31, 2022	December 31, 2021
Mortgage investments and investment in subsidiaries, at cost	\$ 2,213,915	\$ 2,208,522
Investment in USMLP	672,381	682,245
Unrealized fair value adjustment	(108,441)	(111,767)
	\$ 2,777,855	\$ 2,779,000
Mortgage investments	\$ 1,695,452	\$ 1,689,135
Investment in subsidiaries	410,022	407,620
Investment in USMLP	672,381	682,245
	\$ 2,777,855	\$ 2,779,000

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 February 14, 2022 to a maximum amount of \$360,000 (2021 - \$400,000) including borrowings of equivalent amount denominated in US dollars.

Approximately \$117,008 (2021 - \$300,000) is available and \$242,992 has been drawn as at March 31, 2022 (2021 - \$100,000). 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 for the quarter ended March 31, 2022 were \$175,356 and \$243,734 (2021 - \$60,000 and \$128,364), 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 17, 2023.



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

The costs associated with the renewal of the revolving loan facility are amortized over the two-year term of the renewal and have been included in other assets for \$509 (2021 - \$165), net of accumulated amortization of \$216 (2021 - \$782).

F) Foreign exchange forward contracts

The foreign exchange forward contracts are used to hedge the Fund's exposure to loans denominated in US dollars and are classified at FVTPL. The following table sets out the fair values and the notional amount of foreign exchange forward contract derivative assets and liabilities held by the Partnership as at March 31, 2022 and 2021.

Foreign exchange gain (loss) on forward contracts as at March 31, 2022:

	Currency received to be delivered in USD (CAD)	Fair value at foreign exchange	Unrealized gain (loss)
Mar 31, 2022	\$ 1,235,237	\$ 1,228,357	\$ 6,880
Mar 31, 2021	\$ 1,373,087	\$ 1,324,776	\$ 48,311

The Partnership's foreign exchange gain (loss) in the statement of comprehensive income includes an unrealized foreign exchange loss of \$6,371 (2021 - \$13,272) and a realized foreign exchange gain of \$3,220 (2021 - \$12,296).

The unrealized foreign exchange gains (losses) on forward contracts are included in the Partnership's unrealized foreign exchange loss.

The realized foreign exchange gain includes realized foreign exchange gain of \$3,339 (2021 - \$15,868 gain) on forward contracts, which are offset by losses in assets classified as FVTPL and revolving credit facility.

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.



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

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 Trustees will have the effect of cancelling all pending redemption requests. At the end of the suspension period, the Trustees may call a special meeting of unitholders to approve an extension of the suspension period, failing which normal course redemptions will resume. As at March 31, 2022, unitholders representing approximately 24,006,413 (2021 – 9,440,162) units have requested redemptions of their units, the redemption of which is subject to the above restrictions. These units have been reclassified 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").



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

i) The following units are issued and outstanding

	March 31, 2022		March 31, 2021	
	Units	Amount	Units	Amount
Balance, beginning of year	290,049,991	\$ 2,909,903	318,514,154	\$ 3,179,777
New units issued	3,535,868	34,365	1,805,372	17,583
New units issued under distribution reinvestment plan	2,160,286	20,997	2,037,418	19,868
Units redeemed	(9,038,691)	(87,852)	(5,384,399)	(52,442)
Net proceeds (redemptions) from insurance of units	(3,342,537)	(32,490)	(1,541,609)	(14,991)
Balance, end of period	286,707,454	\$ 2,877,413	316,972,545	\$ 3,164,786

During the normal course of business, the Fund receives unit issuance and redemption requests from the investors. In the three-month period ended March 31, 2022, the Fund received requests for redemption of 12,260,189 units (2021 – 14,824,560) and redeemed 9,038,691 units (2021 – 5,384,399) for \$87,852 (2021 – \$52,442) in accordance with its policies.

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

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 286,707,454 as at March 31, 2022 (2021 – 316,972,545).

Net income and comprehensive income per unit have been computed using the weighted average number of units issued and outstanding of 287,686,144 for the three months ended March 31, 2022 (2021 – 318,746,640).

6. Distributions

The Fund makes distributions to the unitholders monthly on or about the 15th day of each month. The Fund's trust indenture indicates that the Fund intends to distribute 100% of the net earnings of the Fund, determined in accordance with the Income Tax Act (Canada), to the unitholders. For the three months ended March 31, 2022, the Fund declared distributions of \$0.18 (2021 – \$0.17) per unit and a total of \$51,783 (2021 – \$54,071) was distributed to the unitholders.



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

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 three months ended March 31, 2022, the total amount was \$1,810 (2021 – \$2,020).

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 three months ended March 31, 2022, this amount was \$3,675 (2021 – \$4,102).

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



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

principal balance of all mortgage investments and the fair market value of all other non-mortgage investments of USMLP. For the three months ended March 31, 2022, this amount was \$1,904 (2021 - \$1,506).

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 three months ended March 31, 2022, this amount was \$8,570 (2021 - \$5,881).

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 March 31, 2022, the Partnership had one (2021 - one) investment outstanding with an original cost of \$49,947 (2021 - \$42,754), including no accrued interest (2021 - \$382) and fair value of \$29,060 (2021 - \$26,913) 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 \$231 (2021 - \$293) payable to Romspen.

H) As at March 31, 2022, the Partnership had nine (2021 - six) 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 three months ended March 31, 2022, Romspen Subsidiary foreclosed and assumed nil mortgages (2021 - nil) on behalf of the Partnership.

As at March 31, 2022, the cost of the mortgage investments with Romspen Subsidiary was \$315,058 (2021 - \$175,613), and the fair value was \$284,737 (2021 - \$175,613). For the three months ended March 31, 2022 the Partnership recognized interest income of nil (2021 - 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.



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

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 March 31, 2022, there were \$52,613 of guarantees outstanding (2021 – \$83,700).

D) The Partnership has letters of guarantee outstanding at March 31, 2022 of \$52,129 (2021 – \$50,729).

10. Fair values of financial instruments

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

Level 1 – quoted (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or

liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fund

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

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.

Partnership

The partnership's mortgage investments and investment in subsidiaries are classified as Level 3 and investment in USMLP is classified as Level 2 of the hierarchy.

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



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

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 US 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 investments 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.



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

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.

On February 14, 2022, the Partnership's revolving loan facility (note 3(e)) was renewed and now matures on July 17, 2023. If it is not extended at maturity, repayments under the

Partnership's portfolio would be utilized to repay the revolving loan facility. The Partnership's mortgages are predominantly short-term in nature, and as such, the continual repayment by borrowers of existing mortgage investments creates liquidity for ongoing mortgage investments and funding commitments.

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

As at March 31, 2022, the Partnership had not utilized its full leverage availability, being a maximum of 35% of its qualified mortgage investments.

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

C) Market risk

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



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

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 March 31, 2022, 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 \$567 (2021 – \$296). 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 \$1,327,522 (2021 – \$1,299,185), 48% (2021 – 44%) of the total Partnership's investments at March 31, 2022 are denominated in US dollars and secured primarily by charges on real estate located in United States; consequently, the Fund is subject to currency fluctuations that may impact its financial position and results. The Fund reduces currency risk on mortgages by having the Partnership enter into foreign exchange forward contracts; 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.



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

A weakening of the Canadian dollar against the US dollar by 5% would have resulted in an increase in NAV of \$0.05 per unit (2021 – \$0.03 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 March 31, 2022, the Partnership's borrowings totalled 9% (2021 – 3%) of the book value of its total investments and the Fund was in compliance with all covenants under its revolving loan facility.

E) Other price risk

Other price risk is the risk that the fair value of investments will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

Unexpected volatility or illiquidity could occur due to legal, political, regulatory, economic or other developments, such as public health emergencies, including an epidemic or pandemic, natural disasters, war and related geopolitical risks, and may impair Romspen's ability to carry out the objectives of the Fund or cause the Fund to incur losses. Neither the duration nor the ultimate effect of any such market conditions, nor the degree to which such conditions may worsen can be predicted.

Romspen adheres to specified investment constraints in relation to asset class and diversification, thus minimizing exposure to other price risk.

Other assets and liabilities are monetary items that are short-term in nature and not subject to other price risk.



Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Three months ended March 31, 2022

12. Comparative figures

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in 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 their financial statements in SEDAR.



Trustees & Management

Romspen's team of investment professionals is led by six Managing Partners who collectively have over 180 years of finance and real estate experience. The investment team is supported by more than 40 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.



6

Managing Partners



180⁺

Years experience in
finance and real estate



40⁺

Business dedicated
professionals

Romspen Mortgage Investment Fund

Sheldon Esbin

Trustee

Mark Hilson

Trustee

Arthur Resnick

Trustee

Wesley Roitman

Trustee

Romspen Investment Corporation

Wesley Roitman

Managing General Partner

Blake Cassidy

Managing Partner

Richard Weldon

Managing Partner

Peter Oelbaum

Managing Partner

Mary Gianfriddo

Managing Partner

Derek Jenkin

Managing Partner

Vanessa Ho

Senior Vice President, Finance

Joel Mickelson

Corporate Counsel



Unitholder Information

Units

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

Distributions

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

Distribution Reinvestment Plan

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

Duplicate Communication

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

Auditors

KPMG LLP Chartered Accountants

Legal Counsel

Gardiner Roberts LLP

Website

www.romspen.com

