Financial Statements
(Expressed in U.S. dollars)

ROMSPEN US MORTGAGE INVESTMENT FUND

And Independent Auditors' Report thereon

Year ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Unitholders of Romspen US Mortgage Investment Fund

Opinion

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

- the statement of financial position as at December 31, 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in unitholders' equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

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

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

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.
KPMG Canada provides services to KPMG LLP.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

June 30, 2022

ROMSPEN US MORTGAGE INVESTMENT FUND

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

December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 422	$ 164
Investment in TIG Romspen US Master Mortgage LP (note 3)	89,037	75,919
Other assets (note 4)	677	1,286
	$ 90,136	$ 77,369
Liabilities and Unitholders' Equity		
Liabilities:		
Accounts payable and accrued liabilities	$ 23	$ 38
Prepaid unit capital	200	–
Unitholders' distributions payable	653	1,270
	876	1,308
Unitholders' equity (note 5)	89,260	76,061
	$ 90,136	$ 77,369
Net asset value per unit (note 6)	$ 10.00	$ 10.00

See accompanying notes to financial statements.

ROMSPEN US MORTGAGE INVESTMENT FUND

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

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Distributions from TIG Romspen US Master Mortgage LP	$ 6,752	$ 6,118
Interest and other income	–	5
	6,752	6,123
Expenses:		
Capital raising fees (note 8)	189	141
Audit fees	27	25
Legal fees	–	1
Custodian, administrator fees	32	27
Other	7	11
	255	205
Net income and comprehensive income	$ 6,497	$ 5,918
Net income and comprehensive income per unit (note 6)	$ 0.86	$ 0.80
Weighted average number of units issued and outstanding (note 6)	7,574,276	7,431,155

See accompanying notes to financial statements.

ROMSPEN US MORTGAGE INVESTMENT FUND

Statement of Changes in Unitholders' Equity
(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Unit capital:		
Balance, beginning of year	$ 76,061	$ 62,480
Issuance of units	30,580	11,550
Reinvestment of distributions	2,502	2,036
Redemption of units	(19,883)	(5)
Balance, end of year	$ 89,260	$ 76,061
Cumulative earnings:		
Balance, beginning of year	$ 9,583	$ 3,665
Net income and comprehensive income	6,497	5,918
Balance, end of year	$ 16,080	$ 9,583
Cumulative distributions to unitholders:		
Balance, beginning of year	$ (9,583)	$ (3,665)
Distributions to unitholders	(6,497)	(5,918)
Balance, end of year	$ (16,080)	$ (9,583)
Unitholders' equity (note 5)	$ 89,260	$ 76,061
Units issued and outstanding (note 5)	8,926,014	7,606,084

See accompanying notes to financial statements.

ROMSPEN US MORTGAGE INVESTMENT FUND

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

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Net income and comprehensive income	$ 6,497	$ 5,918
Change in non-cash operating items:		
Other assets	609	(822)
Accounts payable and accrued liabilities	(15)	3
Unitholders' distributions payable	(617)	808
	6,474	5,907
Financing:		
Proceeds from issuance of units, net of reinvested funds	30,580	11,550
Redemption from unitholders	(19,883)	(5)
Distribution to unitholders, net of reinvested funds	(3,995)	(3,882)
Change in prepaid capital	200	(669)
	6,902	6,994
Investments:		
Net funding of investment in TIG Romspen US Master Mortgage LP (note 3)	(13,118)	(13,638)
Increase (decrease) in cash and cash equivalents	258	(737)
Cash and cash equivalents, beginning of year	164	901
Cash and cash equivalents, end of year	$ 422	$ 164

See accompanying notes to financial statements.

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 were approved by management and are available for issuance on June 30, 2022.

1. Basis of presentation:

These financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Comparative figures, which were previously presented in accordance with International Financial Reporting Standards by the International Accounting Standards Board, have been adjusted as required to be compliant with the Fund's accounting policies under U.S. GAAP and are further described in note 2.

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.

1. Basis of presentation (continued):

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 or loss ("FVTPL") which are presented at fair value.

The Fund accounts for its investment in the 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.

2. Significant accounting policies (continued):

(d) Net income and comprehensive income per unit:

Net income and comprehensive income per unit is computed by dividing the monthly net income by the number of units issued and outstanding for the corresponding month.

(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.

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.

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

3. Supplemental information regarding Master Fund at FVTPL (continued):

As at December 31, 2021, the Fund owns 16% (2020 - 16%) 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:

	2021	2020
Investment balance, beginning of year	$ 75,919	$ 62,281
Funding of investment in the Master Fund	32,944	13,643
Redemption of investment in the Master Fund	(19,826)	(5)
Fund's share in the Master Fund net income	6,752	6,118
Dividend received from the Master Fund	(6,752)	(6,118)
Investment balance, end of year	$ 89,037	$ 75,919

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:

	2021	2020
Assets		
Cash and cash equivalents	$ 41,082	$ 15,040
Accrued interest receivable	25,390	36,731
Mortgage investments, at fair value	615,763	503,243
Other assets	4,388	1,695
	$ 686,623	$ 556,709
Liabilities and Partners' Capital		
Liabilities:		
Mortgage investment syndications	$ 31,000	$ 1,000
Accounts payable and accrued liabilities	7,258	2,564
Due to related party	75,000	79,000
Distributions payable	4,330	7,899
	117,588	90,463
Partners' capital	569,035	466,246
	$ 686,623	$ 556,709

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

3. Supplemental information regarding Master Fund at FVTPL (continued):

Statement of comprehensive income:

	2021	2020
Investment income:		
Mortgage interest	$ 50,910	$ 62,153
Other	834	86
	51,744	62,239
Expenses:		
Service fees	5,091	5,182
Interest	3,723	3,451
Change in fair value of mortgage investments	500	15,280
Accounting and legal fees	255	269
Other	440	414
	10,009	24,596
Net income	$ 41,735	$ 37,643

4. Other assets:

Other assets include an outstanding distribution receivable of $677 (2020 - $1,286) 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.

5. Unitholders' equity (continued):

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:

- 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.

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.

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

5. Unitholders' equity (continued):

The following units are issued and outstanding:

	2021		2020	
	Units	Amount	Units	Amount
Balance, beginning of year	7,606,084	$ 76,061	6,248,041	$ 62,480
New units issued	3,058,046	30,580	1,154,926	11,550
New units issued under DRIP	250,169	2,502	203,617	2,036
Units redeemed	(1,988,285)	(19,883)	(500)	(5)
Balance, end of year	8,926,014	$ 89,260	7,606,084	$ 76,061

6. NAV per unit and net income and comprehensive income per unit:

NAV per unit is calculated as total assets less total liabilities allocable to outstanding units of 8,926,014 as at December 31, 2021 (2020 - 7,606,084).

Net income per unit is calculated as the summation of the monthly net income per unit for the year ended December 31, 2021.

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 year ended December 31, 2021, the Fund declared distributions of $0.86 per unit (2020 - $0.80 per unit), or a total distribution amount of $6,497 (2020 - $5,918).

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.

8. Related party transactions and balances (continued):

As at December 31, 2021, 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 1, 2020. For the year ended December 31, 2021, the total amount was $189 (2020 - $141).

(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 year ended December 31, 2021, the total amount was $5,091 (2020 - $5,182).

9. Subsequent event:

The financial statements were approved by management and available for issuance on June 30, 2022. Subsequent events have been evaluated through this date.

Consolidated Financial Statements
(Expressed in U.S. dollars)

TIG ROMSPEN US MASTER MORTGAGE LP

And Independent Auditors' Report thereon

Year ended December 31, 2021

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Independent Auditors' Report to the General Partner

Opinion

We have audited the consolidated financial statements of TIG Romspen US Master Mortgage LP (the "Partnership"), which comprise the consolidated statement of assets and liabilities, including the consolidated schedule of investments as at December 31, 2021, the consolidated statements of operations, changes in partners' capital and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Partnership as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements"* section of our report. We are independent of the Partnership in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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Independent Auditors' Report to the General Partner (continued)

Auditors' Responsibilities for the Audit of the* Consolidated *Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

June 30, 2022

TIG ROMSPEN US MASTER MORTGAGE LP

Consolidated Statement of Assets and Liabilities
(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)

December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Cash, cash equivalents and restricted cash	$ 41,082	$ 15,040
Accrued interest receivable	25,390	36,731
Mortgage investments, at fair value (note 3)	588,659	503,243
Real estate owned, at fair value (note 4)	27,103	–
Other assets	4,388	1,695
	$ 686,622	$ 556,709
Liabilities and Partners' Capital		
Liabilities:		
Mortgage investment syndications (note 3)	$ 31,000	$ 1,000
Accounts payable and accrued liabilities	7,257	2,564
Due to related party (note 8)	75,000	79,000
Distributions payable	4,330	7,899
	117,587	90,463
Partners' capital (note 5)	569,035	466,246
	$ 686,622	$ 556,709
Net asset value per unit (note 6)	$ 10.00	$ 10.00

See accompanying notes to consolidated financial statements.

TIG ROMSPEN US MASTER MORTGAGE LP

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

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Investment income:		
Mortgage interest	$ 50,911	$ 62,153
Other	834	86
	51,745	62,239
Expenses:		
Service fees (note 8(a))	5,091	5,182
Interest expense (note 8(c))	3,723	3,451
Accounting and legal fees	255	269
Other	441	414
	9,510	9,316
Net investment income	42,235	52,923
Realized gain (loss) from investments	(11,296)	–
Unrealized gain (loss) from investments	10,796	(15,280)
Net income	$ 41,735	$ 37,643
Net income per unit (note 6)	$ 0.89	$ 0.83

See accompanying notes to consolidated financial statements.

TIG ROMSPEN US MASTER MORTGAGE LP

Consolidated Statement of Changes in Partners' Capital
(Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted)

Year ended December 31, 2021, with comparative information for 2020

2021	Balance, beginning of year	Proceeds from capital contributions	Redemptions	Distribution paid for the year	Allocation of net income for the year	Balance, end of year
Limited Partner: TIG Romspen US Mortgage Intermediate LP	$ 466,246	$ 143,163	$ (40,374)	$ (41,735)	$ 41,735	$ 569,035

2020	Balance, beginning of year	Proceeds from capital contributions	Redemptions	Distribution paid for the year	Allocation of net income for the year	Balance, end of year
Limited Partner: TIG Romspen US Mortgage Intermediate LP	$ 393,978	$ 72,273	$ (5)	$ (37,643)	$ 37,643	$ 466,246

See accompanying notes to consolidated financial statements.

TIG ROMSPEN US MASTER MORTGAGE LP

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

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash, cash equivalents and restricted cash provided by (used in):		
Operations:		
Net income	$ 41,735	$ 37,643
Adjustments for:		
Funding of mortgage investments	(344,958)	(172,686)
Discharge of mortgage investments	231,939	92,073
Realized change in fair value of investments	11,296	–
Unrealized change in fair value of investments	(10,796)	15,280
Change in non-cash operating items:		
Accrued interest receivable	11,341	(24,374)
Other assets	(2,693)	(910)
Accounts payable and accrued liabilities	34,693	(534)
Distributions payable	(3,569)	4,965
Due to related party	(4,000)	21,500
	(35,012)	(27,043)
Financing:		
Proceeds from capital contributions	143,163	72,273
Redemptions	(40,374)	(5)
Distribution to partners	(41,735)	(37,643)
	61,054	34,625
Increase in cash, cash equivalents and restricted cash	26,042	7,582
Cash, cash equivalents and restricted cash, beginning of year	15,040	7,458
Cash, cash equivalents and restricted cash, end of year	$ 41,082	$ 15,040

See accompanying notes to consolidated financial statements.

TIG ROMSPEN US MASTER MORTGAGE LP

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

December 31, 2021

Investments	Investments owned	Original cost	Outstanding principal	Fair value	% of partners' capital
2021					
Boca Raton, Florida	Mortgage, Land 10.25%	$ 77,370	$ 77,370	$ 77,370	13.6
Vancouver, Washington	Mortgage, Residential Development 11.75%	41,770	41,770	41,770	7.3
Lakeland, Tennessee	Mortgage, Mixed Use 10.75%	37,662	37,662	37,662	6.6
Daytona Beach, Florida	Mortgage, Hotel Motel 12.00%	37,314	37,314	37,314	6.6
Dallas, Texas	Mortgage, Mixed Use 11.50%	37,202	37,202	37,202	6.5
Vancouver, Washington	Mortgage, Residential Development 10.00%	28,000	28,000	28,000	4.9
Surfside, Florida	Mortgage, Residential Pre-Development 11.00%	23,500	23,500	22,719	4.0
Edgewater, New Jersey	Mortgage, Residential Pre-Development 11.50%	20,934	20,934	20,934	3.7
Tuscaloosa, Alabama	Mortgage, Mixed Use 11.00%	19,000	19,000	19,000	3.3
Houston, Texas	Mortgage, Office 10.25%	18,500	18,500	18,500	3.3
Seattle, Washington	Mortgage, Land 10.00%	16,500	16,500	16,500	2.9
Las Vegas, Nevada	Mortgage, Land 11.00%	15,575	15,575	15,575	2.7
Philadelphia, Pennsylvania	Mortgage, Other Commercial 10.00%	15,000	15,000	15,000	2.6
Tampa, Florida	Mortgage, Multi-Family 10.25%	14,464	14,464	14,464	2.5
Phoenix, Arizona	Mortgage, Land 10.25%	12,600	12,600	12,600	2.2
Savannah, Georgia	Mortgage, Land 12.00%	12,480	12,480	12,480	2.2
Miami, Florida	Mortgage, Mixed Use 10.25%	11,803	11,803	11,803	2.1
Brooklyn, New York	Mortgage, Residential Pre-Development 10.00%	11,136	11,136	11,136	2.0
Middle River, Maryland	Mortgage, Land 10.25%	10,900	10,900	10,900	1.9
Laredo, Texas	Mortgage, Land 10.25%	10,850	10,850	10,850	1.9
Wahiawa, Hawaii	Mortgage, Residential Development 10.50%	10,136	10,136	10,136	1.8
Philadelphia, Pennsylvania	Mortgage, Mixed Use 10.50%	10,115	10,115	10,115	1.8
Jacksonville, Florida	Mortgage, Land 10.50%	9,300	9,300	9,300	1.6
Kailua, Hawaii	Mortgage, Residential Development 12.50%	8,673	8,673	6,695	1.2
Beaverton, Oregon	Mortgage, Land 10.00%	8,536	8,536	8,536	1.5
Hollywood, Florida	Mortgage, Land 10.25%	7,731	7,731	7,731	1.4
Philadelphia, Pennsylvania	Mortgage, Mixed Use 12.50%	7,493	7,493	7,493	1.3
Sandy Springs, Georgia	Mortgage, Mixed Use 11.00%	7,440	7,440	7,440	1.3
Fuquay-Varina, North Carolina	Mortgage, Land 10.75%	7,226	7,226	7,226	1.3
Philadelphia, Pennsylvania	Mortgage, Residential Pre-Development 11.00%	6,991	6,991	6,011	1.1
Kennesaw, Georgia	Mortgage, Land 10.25%	6,700	6,700	6,700	1.2
Boise, Idaho	Mortgage, Multi-Family 10.00%	6,476	6,476	6,476	1.1
Ocala, Florida	Mortgage, Land 10.25%	6,100	6,100	6,100	1.1
San Antonio, Texas	Mortgage, Multi-Family 10.50%	5,738	5,738	5,738	1.0
Brooklyn, New York	Mortgage, Residential Development 10.75%	5,519	5,519	5,519	1.0
Other	Mortgage	12,196	12,196	5,664	1.0
Total			$ 598,930	$ 588,659	

TIG ROMSPEN US MASTER MORTGAGE LP

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

December 31, 2021

Real estate owned	Properties owned	Fair value	% of partners' capital
2021			
Bradenton, Florida	Foreclosed Asset, Retail Shopping 1.00%	$ 14,566	2.6
Manvel, Texas	Foreclosed Asset, Residential Pre-Development 13.00%	12,537	2.2
Houston, Texas	Foreclosed Asset, Mixed Use 1.00%	–	0.0
Total		$ 27,103	

TIG ROMSPEN US MASTER MORTGAGE LP

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

December 31, 2020

Investments	Investments owned	Original cost	Outstanding principal	Fair value	% of partners' capital
2020					
Phoenix, Arizona	Mortgage, Residential Pre-Development 11.25%	$ 55,575	$ 55,575	$ 55,575	11.9
Tuscaloosa, Alabama	Mortgage, Mixed Use 11.00%	36,094	36,094	36,094	7.7
Daytona Beach, Florida	Mortgage, Hotel Motel 12.00%	34,694	34,694	34,694	7.4
Dallas, Texas	Mortgage, Mixed Use 11.50%	33,653	33,653	33,653	7.2
Vancouver, Washington	Mortgage, Residential Development 11.75%	33,448	33,448	33,448	7.2
Lakeland, Tennessee	Mortgage, Mixed Use 10.75%	26,120	26,120	26,120	5.6
Surfside, Florida	Mortgage, Residential Pre-Development 11.00%	23,500	23,500	22,719	4.9
Kutztown, Pennsylvania	Mortgage, Multi-Family 12.00%	22,000	22,000	22,000	4.7
Bradenton, Florida	Mortgage, Retail Shopping 10.00%	21,560	21,560	10,747	2.3
Vancouver, Washington	Mortgage, Residential Development 10.00%	20,000	20,000	20,000	4.3
Tempe, Arizona	Mortgage, Mixed Use 10.50%	18,665	18,665	18,665	4.0
Houston, Texas	Mortgage, Office 10.25%	17,847	17,847	17,847	3.8
Port Orchard, Washington	Mortgage, Multi-Family 12.50%	17,500	17,500	17,500	3.8
Palm Beach, Florida	Mortgage, Mixed Use 11.00%	16,038	16,038	16,038	3.4
Philadelphia, Pennsylvania	Mortgage, Other Commercial 11.25%	15,000	15,000	15,000	3.2
Las Vegas, Nevada	Mortgage, Land 11.00%	14,164	14,164	14,164	3.0
Miami, Florida	Mortgage, Mixed Use 10.25%	11,400	11,400	11,400	2.4
Philadelphia, Pennsylvania	Mortgage, Mixed Use 10.50%	10,342	10,342	10,342	2.2
Manvel, Texas	Mortgage, Residential Pre-Development 13.00%	10,450	10,450	10,450	2.2
Philadelphia, Pennsylvania	Mortgage, Mixed Use 12.50%	9,600	9,600	9,600	2.1
Wahiawa, Hawaii	Mortgage, Residential Development 10.50%	9,044	9,044	9,044	1.9
Colorado Springs, Colorado	Mortgage, Residential Pre-Development 13.50%	8,840	8,840	8,313	1.8
Richmond, Texas	Mortgage, Mixed Use 11.50%	8,500	8,500	8,500	1.8
Kailua, Hawaii	Mortgage, Residential Development 12.50%	8,284	8,284	6,306	1.4
Lincolnwood, Illinois	Mortgage, Mixed Use 10.00%	8,000	8,000	8,000	1.7
Sandy Springs, Georgia	Mortgage, Mixed Use 11.00%	7,371	7,371	7,371	1.6
Philadelphia, Pennsylvania	Mortgage, Residential Pre-Development 11.00%	6,991	6,991	6,589	1.5
Houston, Texas	Mortgage, Mixed Use 10.50%	6,459	6,459	6,263	1.3
Philadelphia, Pennsylvania	Mortgage, Multi-Family 11.00%	5,100	5,100	5,100	1.1
Other		8,071	8,071	1,701	0.4
Total			$ 524,310	$ 503,243	

See accompanying notes to consolidated financial statements.

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 was registered with the Cayman Islands Monetary Authority ("CIMA") under the Mutual Funds Act (2021 Revision) of the Cayman Islands on July 22, 2020. 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.

Master Fund is a wholly owned subsidiary of the TIG Romspen US Mortgage Intermediate LP ("Intermediate LP"). The Master Fund's registered office is 89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands. 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 consolidated financial statements and accompanying footnotes are presented for the year ended December 31, 2021.

1. Basis of presentation:

These consolidated 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 consolidated financial statements are measured and presented in U.S. dollars; amounts are rounded to the nearest thousand, unless otherwise stated. The consolidated 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") and real estate owned, which are presented at fair value.

2. Significant accounting policies:

(a) Principles of consolidation:

The accompanying consolidated financial statements include the accounts of the Master Fund and its wholly owned and controlled subsidiaries.

The Master Fund consolidates variable interest entities (VIEs) for which it is the primary beneficiary, generally as a result of having the power to direct the activities that most significantly affect the VIE's economic performance and holding variable interests that convey to the Fund the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The Fund consolidates entities that are not VIEs when it has a controlling financial interest as a result of majority voting control. The Fund is precluded from consolidating entities that are not investment companies when it is required to measure those entities at fair value in accordance with Topic 946.

The accompanying consolidated financial statements include the accounts of the Master Fund and its wholly owned and controlled subsidiary, Romspen (Reomaster II) Holdings Inc. (Delaware) ("Reomaster II"), which in turn holds wholly owned and controlled subsidiaries, RIC Desoto LLC (Florida), RIC Yanni Palms LLC (Texas), and RIC (Simpa) LLC (Texas). They are investment companies established for the general purpose of executing specific investment transactions on behalf of the Master Fund. All significant intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

(b) 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).

2. Significant accounting policies (continued):

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, other assets, accounts payable and accrued liabilities and distributions payable, approximate their carrying values due to their short-term maturities.

(c) Cash, cash equivalents 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 Federal Deposit Insurance Corporation and Securities Investor Protection Corporation limitations.

2. Significant accounting policies (continued):

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 cash collected and held in reserve to pay for the Borrowers' expenses to third parties. At December 31, 2021, restricted cash balance was $6,878 (2020 - $1,782).

(d) 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 consolidated Statement 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 consolidated Statement of Operations as an unrealized fair value adjustment.

(e) Real estate owned:

Entities are formed by the Master Fund to obtain legal title of the foreclosed underlying security of defaulted mortgage investments. These investments are accounted for at fair value. Upon foreclosure, the carrying value of the mortgage investment, which comprises principal, 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 real estate owned is recognized at fair value.

The fair value of real estate 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. Management makes its determination of fair value based on its assessment of the expected exit value of the investment under current market conditions for investments of same or similar terms. The determination of fair value requires management to make estimates and assumptions that affect the values presented, such that actual values in sales transactions may differ from those presented. Valuation inputs are measured using Level 3 inputs, as not all significant inputs are based on observable market data (unobservable inputs). These unobservable inputs reflect the Partnership's own assumptions of how market participants would price the real estate, and are developed based on the best information available, including management's own data.

2. Significant accounting policies (continued):

The valuation methodologies and inputs used for real estate owned are priced by model-based valuations. The model-based valuations consider inputs including foreclosure auction winning bid, quotes for sale of a similar property, projected lot sales, projected development expenses, and square footage of the properties. The real estate owned are categorized as Level 3 given their limited marketability, uncertainty regarding timing, lack of observable valuation inputs.

(f) 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.

(g) Use of estimates:

The preparation of consolidated 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 consolidated 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.

(h) Net income per unit:

Net income per unit are computed by dividing the monthly net income by the number of units issued and outstanding for the corresponding month.

2. Significant accounting policies (continued):

(i) Prepaid unit capital:

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

(j) Income taxes:

No provision for federal, state and local income taxes has been made in the accompanying consolidated 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 December 31, 2021 (2020 - nil). The Master Fund does not expect that its assessment regarding unrecognized tax benefits will materially change over the next 12 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.

(k) 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.

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

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 December 31, 2021:

	2021	2020
Mortgage investments balance, beginning of year	$ 503,243	$ 437,910
Funding of mortgage investments	344,958	172,686
Discharge of mortgage investments	(231,939)	(92,073)
Unrealized gain (loss) in the value of investments	10,796	(15,280)
Realized gain (loss) in the value of investments	(11,296)	–
Non-cash transfer to real estate owned at fair value (note 4)	(27,103)	–
Mortgage investments balance, end of year	$ 588,659	$ 503,243

Total cumulative unrealized fair value loss adjustment as of December 31, 2021 is $10,271 (2020 - $21,067), bringing the mortgage investments fair value balance to $588,659 (2020 - $503,243).

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

3. Mortgage investments (continued):

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

	Investments	Fair value hierarchy	Fair value	Valuation methodologies	Unobservable inputs	Ranges
2021	Mortgages overhold	Level 3	$ 201,624	Refer to note (a)	Refer to note (a)	Refer to note (a)
2021	Mortgages	Level 3	387,035	Discounted cash Flow ("DCF")	Discount rates, discounts for lack of marketability	0%
2020	Mortgages	Level 3	503,243	Discounted Cash Flow ("DCF")	Discount rates, discounts for lack of marketability	0%

(a) For mortgages which are past due or on a month-to-month arrangement, these are referred to as overhold loans, and these have a fair value of $201,624 as at December 31, 2021 (2020 - nil). The valuation methodologies and inputs used for mortgage investments classified as overhold and categorized in Level 3 are priced by brokers/market analysts and third-party appraiser services. The brokers/market analysts provide pricing recommendations based on sales of similar properties and square footage of the properties. The appraisers utilize the income capitalization, cost, and sales comparison approaches for the purposes of valuation, and consider market inputs such as occupancy, improvements, construction timelines, projected property appreciation, inflation rates, square footage of properties, and tax estimates. These loans are categorized as Level 3 given their limited marketability, uncertainty regarding timing, and lack of observable valuation inputs.

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

3. Mortgage investments (continued):

The following is a summary of the mortgages as at year end:

	Number of mortgages	Outstanding principal	Fair value
2021 First mortgages	40	$ 598,930	$ 588,659
2020 First mortgages	31	524,310	503,243

At December 31, 2021, the mortgage investment portfolio carries a weighted average effective interest rate of 10.81% (2020 - 11.24%).

The following is a summary of the outstanding principal of mortgages segmented by interest rate:

	2021	2020
Less than 10.00%	$ 89,372	$ 49,560
10.01% - 11.00%	340,792	209,135
11.01% - 12.00%	149,699	207,219
12.01% - 20.00%	19,067	58,396
	$ 598,930	$ 524,310

The following is a summary of the outstanding principal of mortgages segmented by type of mortgage:

	2021	2020
Construction	$ 246,190	$ 263,213
Pre-development	210,050	144,549
Term	142,690	116,548
	$ 598,930	$ 524,310

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

3. Mortgage investments (continued):

The following is a summary of the outstanding principal of mortgages as at December 31, 2021, segmented by maturity date:

Overhold	$ 212,496
2022	221,001
2023	165,433
	$ 598,930

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.

The following is a summary of the outstanding principal of mortgages segmented by geographic location:

	2021	2020
Southeast	$ 278,084	$ 176,777
Northwest	101,282	70,948
Northeast	88,088	69,033
Southcentral	84,492	93,820
Southwest	46,984	105,732
Midwest	–	8,000
	$ 598,930	$ 524,310

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 December 31, 2021 totals $31,000 (2020 - $1,000) and carries a weighted average effective interest rate of 10.21% (2020 - 11.25%).

4. Real estate owned:

During 2021, the Master Fund, through its wholly owned subsidiaries, acquired a 100% interest in three real estate assets for a fair value of $27,103 upon foreclosure of the mortgage investment.

Investment in real estate held by the Master Fund is measured at fair value and uses significant unobservable inputs to estimate fair value of these assets at each reporting date. Fair value is the price that would be received to settle an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

	2021	2020
Real estate owned, beginning of year	$ –	$ –
Non-cash transfer from mortgage investments	27,103	–
Fair value adjustments	–	–
Real estate owned, end of year	$ 27,103	$ –

The fair value of real estate is determined using a variety of methodologies, including comparable market property values, market research data, third-party and in-house appraisals, and discounted cash flow analysis, which would include inputs related to discount rates, future cashflows, liquidity, etc.

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

5. Partners' capital:

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 times or waive or reduce other provisions.

If 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 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.

As at December 31, 2021, there were no redemption requests (2020 - $35,208). Units submitted for redemption are redeemed at the net asset value.

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

The Master Fund has a distribution reinvestment plan ("DRIP") and direct unit purchase plan for its partners, which allows participants to reinvest their monthly cash distributions in additional units at a unit price equivalent to the net asset value per unit.

The following units are issued and outstanding:

	2021		2020	
	Units	Amount	Units	Amount
Balance, beginning of year	46,624,634	$ 466,246	39,397,784	$ 393,978
New units issued	14,316,249	143,163	7,227,350	72,273
Units redeemed	(4,037,425)	(40,374)	(500)	(5)
Balance, end of year	56,903,458	$ 569,035	46,624,634	$ 466,246

6. Net asset value per unit and net income per unit:

Net asset value per unit is calculated as total assets less total liabilities allocable to outstanding units of 56,903,458 as at December 31, 2021 (2020 - 46,624,634).

Net income per unit is calculated as the summation of the monthly net income for the year ended December 31, 2021.

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 income of the Master Fund to the partners. For the year ended December 31, 2021, the Master Fund had a cumulative distribution of $0.89 per unit (2020 - $0.83) and a total of $41,735 (2020 - $37,643) 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 consolidated 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 year ended December 31, 2021, the total amount was $5,091 (2020 - $5,182).

(b) The Master Fund's accounts payable and accrued liabilities due to the Manager has a balance of $5 as at December 31, 2021 (2020 - nil).

8. Related party transactions and balances (continued):

(c) 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 prime plus 1.25%. As of December 31, 2021, a balance of $75,000 (2020 - $79,000) is outstanding and total interest incurred for the year ended December 31, 2021 was $3,723 (2020 - $3,451).

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. 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.

9. Financial instrument risk management (continued):

(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 reviews 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.

9. Financial instrument risk management (continued):

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 prime plus 1.25%, which is 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 income 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.

9. Financial instrument risk management (continued):

(f) 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 instruments or is 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 the Romspen's ability to carry out the objectives of the Master Fund or cause the Master Fund to incur losses. Neither the duration nor 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.

10. Commitments and contingencies:

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 December 31, 2021 were $163,176 (2020 - $89,829).

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.

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

11. Financial highlights:

Below is a summary of the Master Fund's financial highlights for the year ended December 31 on a per unit basis:

	2021	2020
Per unit operating performance		
Net asset value, beginning of year	$ 10.00	$ 10.00
Income from investment operations:		
Net realized and change in unrealized gain on investments	0.89	0.83
Investment distribution declared	(0.89)	(0.83)
Net asset value, end of year	$ 10.00	$ 10.00
Total return	11.07%	13.64%
Ratio to average net assets:		
Expenses	2.14%	5.39%
Net investment gain	8.93%	8.25%

12. Subsequent event:

Subsequent to year end, the Master Fund had additional subscriptions of $16,441 and redemptions of $2,507.

13. Comparative amounts:

Where necessary comparative amounts are restated and reclassified in order to comply with the changes in accounting policies, the application of the new and revised GAAP and with the representation of the current financial year.