



2023 Annual General Meeting

Romspen Mortgage Investment Fund

JUNE 6, 2023

AGENDA

Mark Hilson

- Introductory Remarks
- Formal Business
- Mandate, Strategy & Management

Derek Jenkin

- 2022 Review
- Outlook & Q1 2023

Wesley Roitman

- Issues/Opportunities
- Questions



SAFE HARBOUR

This presentation contains “forward-looking information” and “forward-looking statements” within the meaning of Canadian securities laws. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions and include statements which reflect expectations regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook for the Romspen Mortgage Investment Fund (the “Fund”), as well as the outlook for North American economies and real estate markets. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “proposes”, “expects”, “estimates”, “intends”, “anticipates” or “believes”, or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Although the anticipated results, achievements and events expressed or implied by the forward-looking statements are based on reasonable assumptions and expectations, forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the Fund’s control, which could cause the actual results, performance or achievements of the Fund to be materially different from those expressed or implied by the forward-looking statements. Some of these factors include, but not limited to: the ability to originate and administer a portfolio of mortgage loans sufficient to generate a given annual return or level of distributions to unitholders; the maintenance of relationships with key third-parties, including capital providers; the ability of borrowers to fulfil their obligations under their loan documents; the Manager’s capability to perform its obligations to the Fund; competition; changes in general economic conditions; catastrophic events, including conflicts and pandemics; changes in government regulation; litigation; changes in interest and exchange rates; the impact or unanticipated impact of political and market factors, including the behaviour of financial and real estate markets.

Subsequent events may cause the Fund’s view to change, but the Fund and management disclaim any obligation to update these forward-looking statements or forward-looking information, whether written or oral, except as may be required by law. These forward-looking statements should not be relied upon as representing the Fund’s or management’s views as of any date subsequent to the date of this presentation. There may be other factors that could cause actions, events or results to not be as anticipated, intended or estimated. There is no assurance that the forward-looking statements will be accurate, and actual results, performance and future events could differ materially from those anticipated. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not a complete list of factors that could affect the Fund. Additional factors are noted under “Risk Factors” in the Fund’s offering documentation.



This presentation does not constitute an offer to sell or a solicitation to buy any security in any jurisdiction.



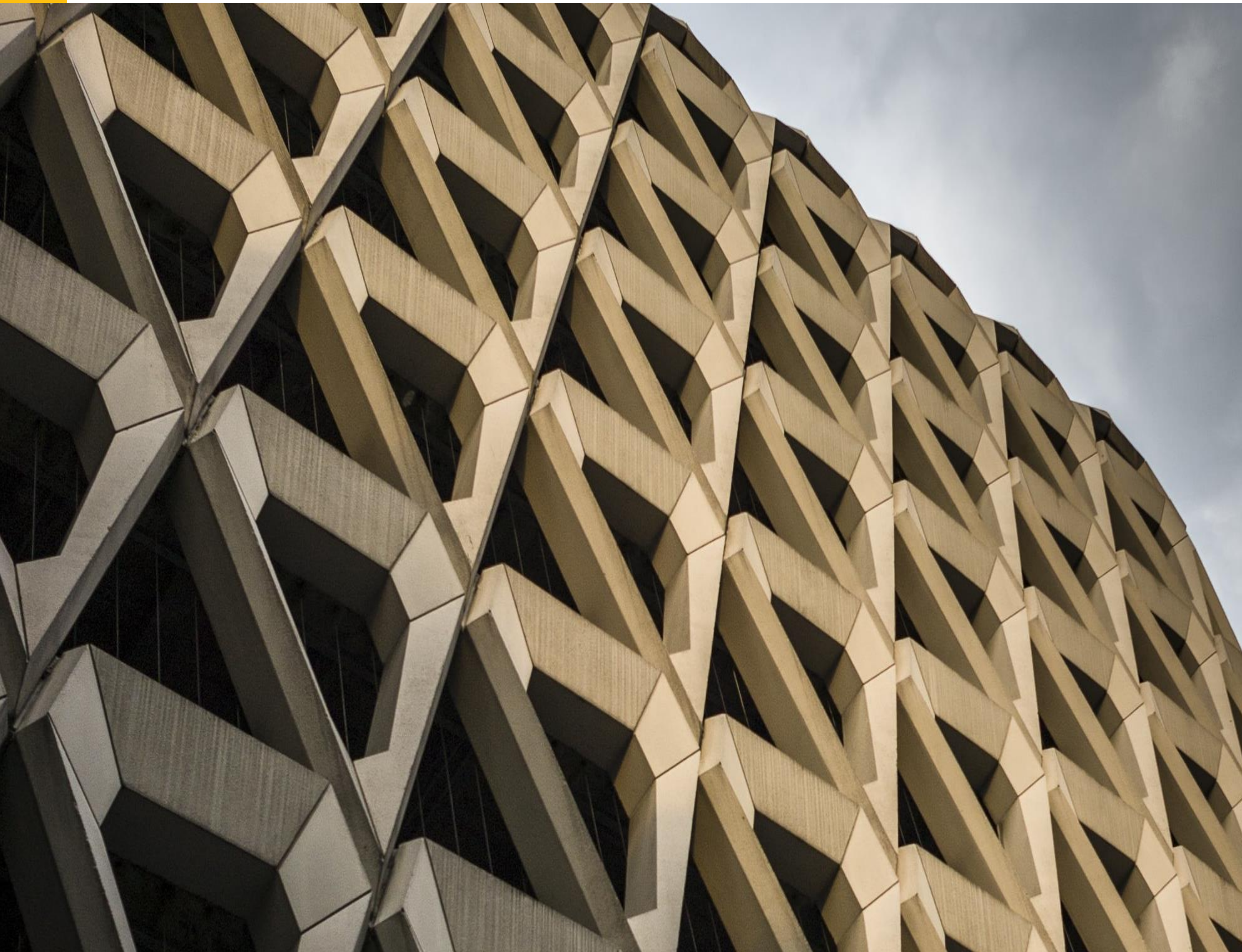
Mark Hilson

Trustee

Mandate/Strategy/ Management



ABOUT ROMSPEN



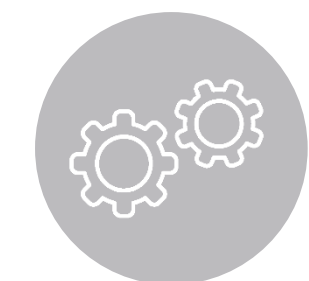
Established in 1966, Romspen has over 60 employees and consultants across North America



Managing over \$3 billion, 25 consecutive positive return years



Serving retail & institutional clients globally



Commercial real estate lending based on rigorous underwriting with a focus on risk management



ROMSPEN PARTNERS



Blake Cassidy
Origination

Mary Gianfriddo
Portfolio Administration

Richard Weldon
Workouts

Peter Oelbaum
Workouts

Derek Jenkin
Investor Relations

Romspen since
1995

Romspen since
2005

Romspen since
2011

Romspen since
2011

Romspen since
2014

Financial Industry since
1992

Financial Industry since
1983

Financial Industry since
1983

Financial Industry since
1995

Financial Industry since
1993

University of Toronto
(B.Sc)

Concordia University
(B. Comm)

University of British
Columbia (LL.B), McGill
University (BA)

University of Toronto
(MBA & MFin);
Osgoode Hall (LL.M)



RMIF TRUSTEES



Sheldon Esbin
Co-Founder & Trustee

Romspen since
1966

Financial Industry since
1966

Osgoode Hall (LL.B)



Arthur Resnick
Co-Founder & Trustee

Romspen since
1966

Financial Industry since
1966

Osgoode Hall (LL.B)



Mark Hilson
Director & Trustee

Romspen since
2008

Financial Industry since
1984

Harvard (MBA); Wilfrid
Laurier University
(HBBA)



Wesley Roitman
Managing General Partner
& Trustee

Romspen since
2004

Financial Industry since
2004

University of Toronto
(B.Sc)



RMIF MANDATE

Mandate

- Deliver long-term attractive returns to unitholders
- Uncorrelated to major investment asset classes
- Strict adherence to core mortgage investment principles

Track Record

- Consistent and significant outperformance
- Meaningfully less volatility



RMIF TODAY

- A leading Canadian private commercial mortgage lender
- Aggregate AUM of \$3.1 billion
- Annualized ten-year net return of 7.3%
- Supported by an expert team in Canada and the U.S.
- Management and employees of Romspen are collectively the largest non-institutional unitholder (~\$100M)

As at December 31, 2022



RISK MITIGATION

- Rigorous due diligence in all aspects of sourcing, lending and administration
- 96% first mortgages
- Solid deal flow brings attractive lending opportunities
- Active management of every project
- Romspen does not use leverage and can therefore be patient during downturns in the market
- Net result is better than equity market index returns with less than 3% NAV volatility



DISCIPLINED INVESTMENT PROCESS GENERATES PROVEN RESULTS

- Lend on a first-mortgage basis to maintain deal control
- Unconventional, complex loans generate higher absolute returns
 - Significant downside protection
 - Underwrite mortgages at 65% loan-to-value
 - Lend on a short-term basis (1 to 3 years)
- Interest rates of 10 to 12%
- No structural leverage





Derek Jenkin

Managing Partner

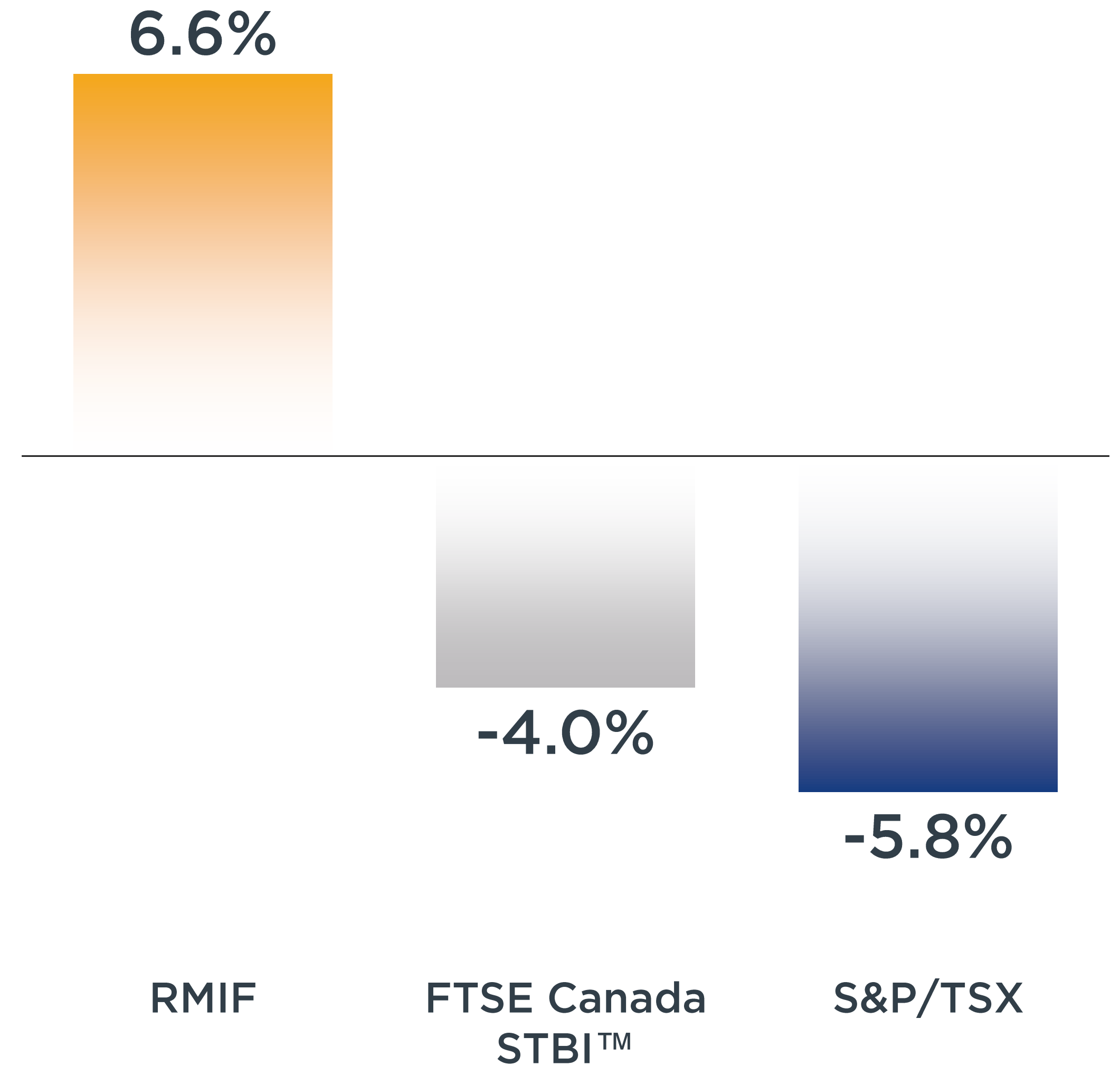


2022 Results



THE MARKET IN 2022 AND OUR PERFORMANCE

- Significant dislocations across all sectors, including real estate
- The Fund, however, outperformed other major investment asset classes
- Generated 334 consecutive months of positive returns
- Romspen outperforms fixed-income and equity benchmarks



2022 HIGHLIGHTS

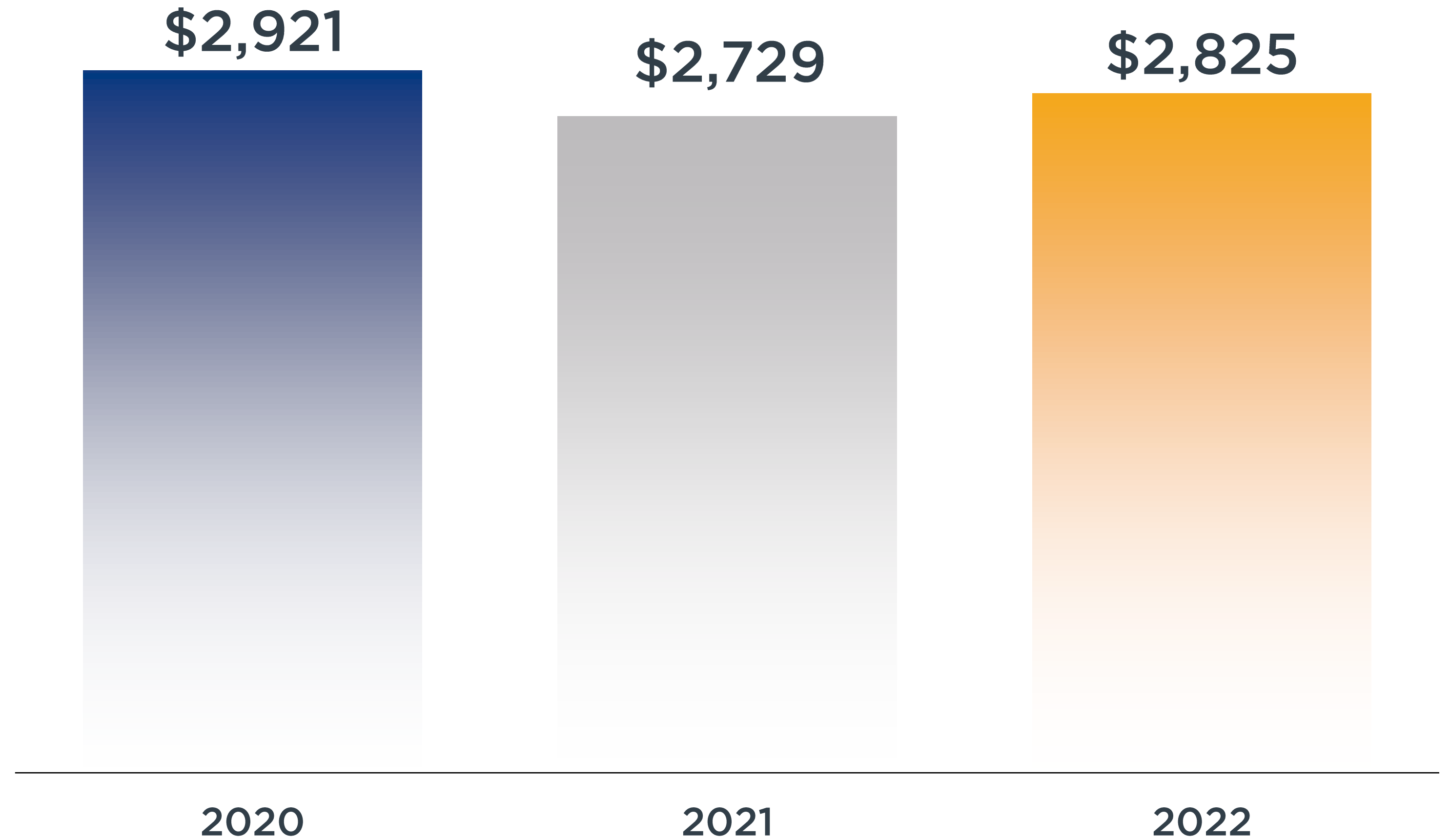
Continuing to deliver positive results in challenging times

- Distributions ➤ \$0.61/unit, compounded net return 6.6%
- Portfolio interest rate ➤ softened to 8.8%
- Net mortgage portfolio ➤ steady at \$2.8 billion
- Investor capital ➤ lower by 3% to \$2.7 billion
- Realized losses ➤ \$6.4 million, of which reserves were provided for
- Performance ➤ solid absolute uncorrelated results



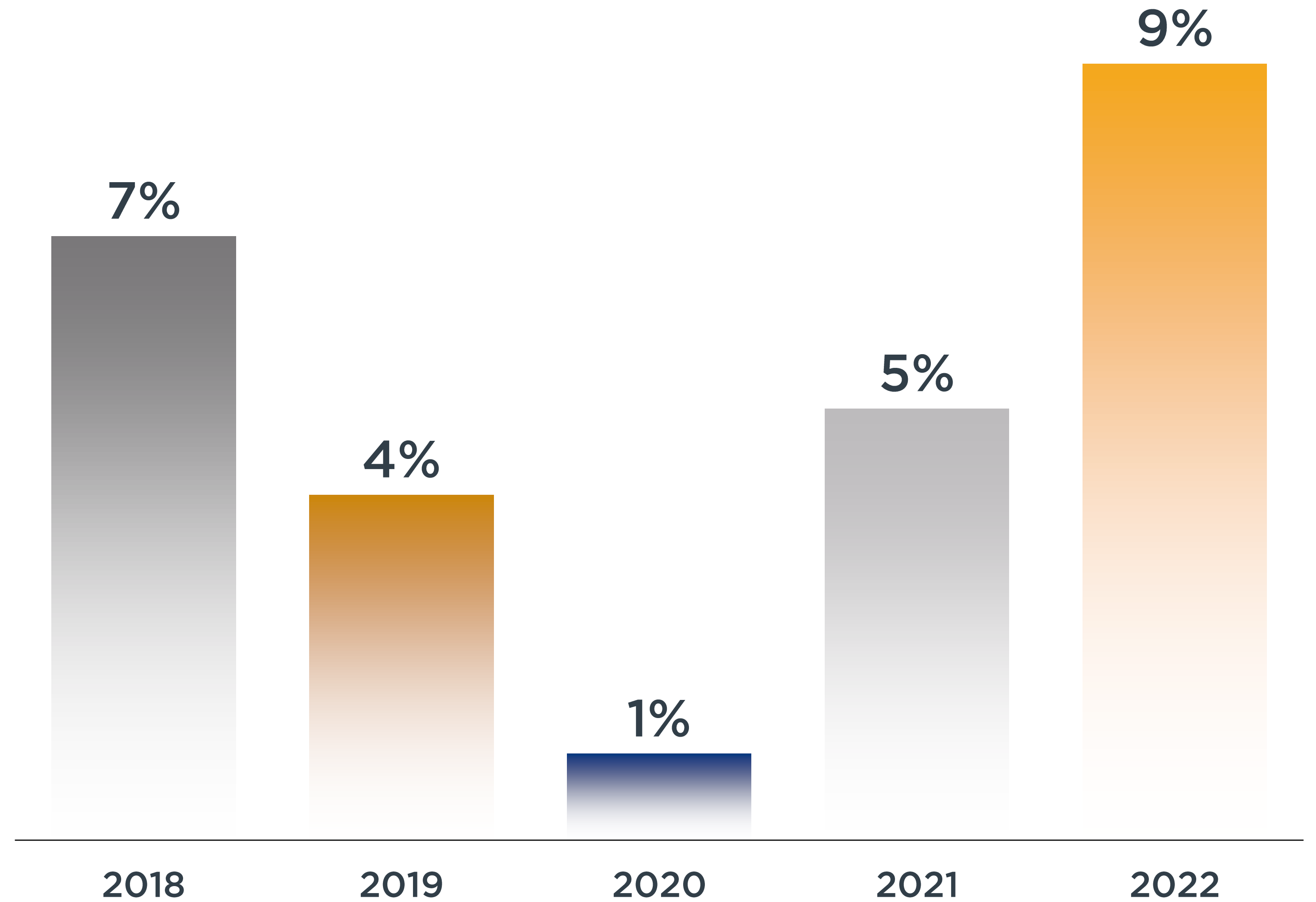
KEY FINANCIAL METRICS — STABLE PORTFOLIO

Net Investment
Portfolio (\$M)

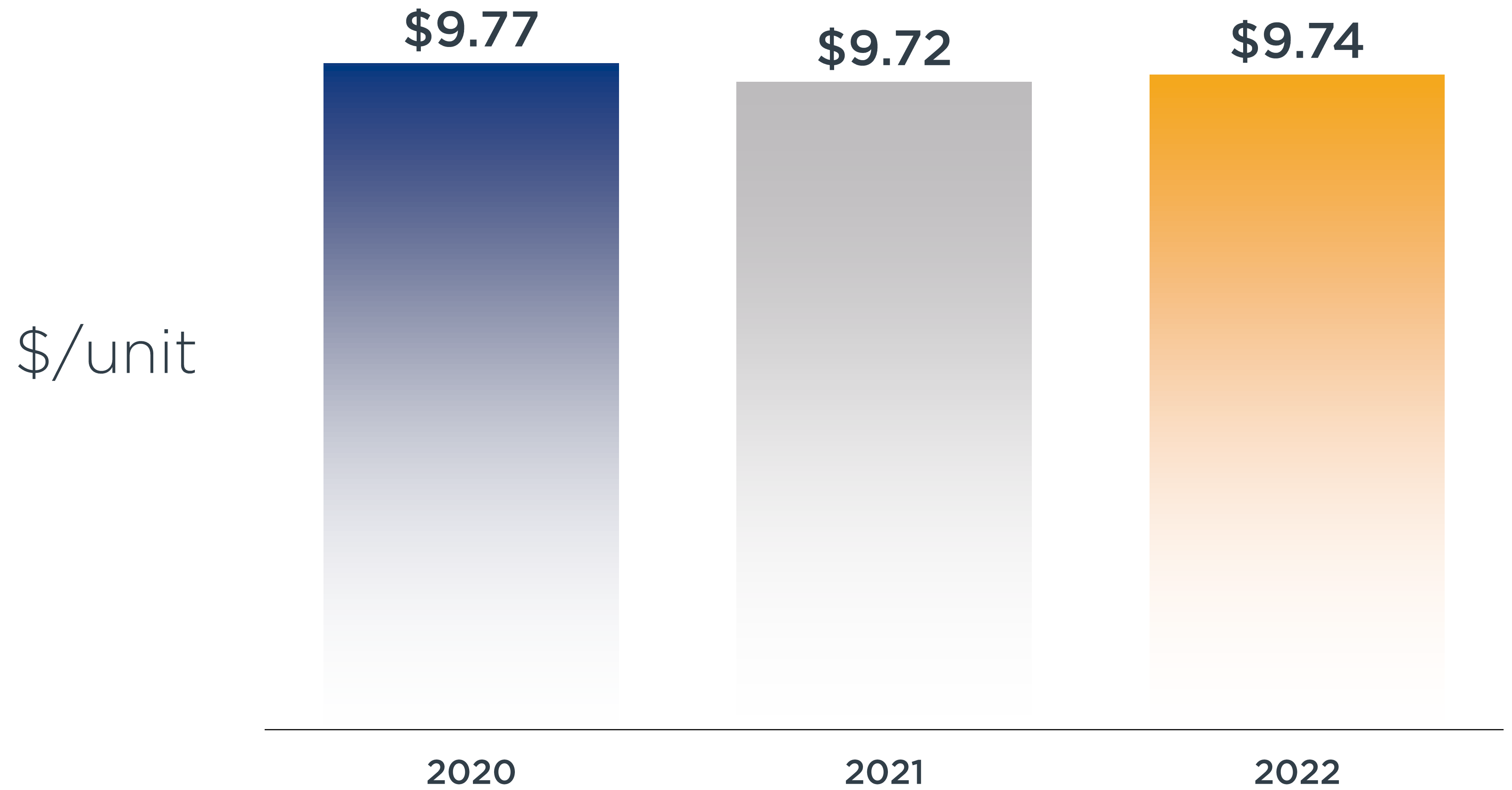


KEY FINANCIAL METRICS — LOW FINANCIAL LEVERAGE

Net Leverage
% of Investment
Portfolio



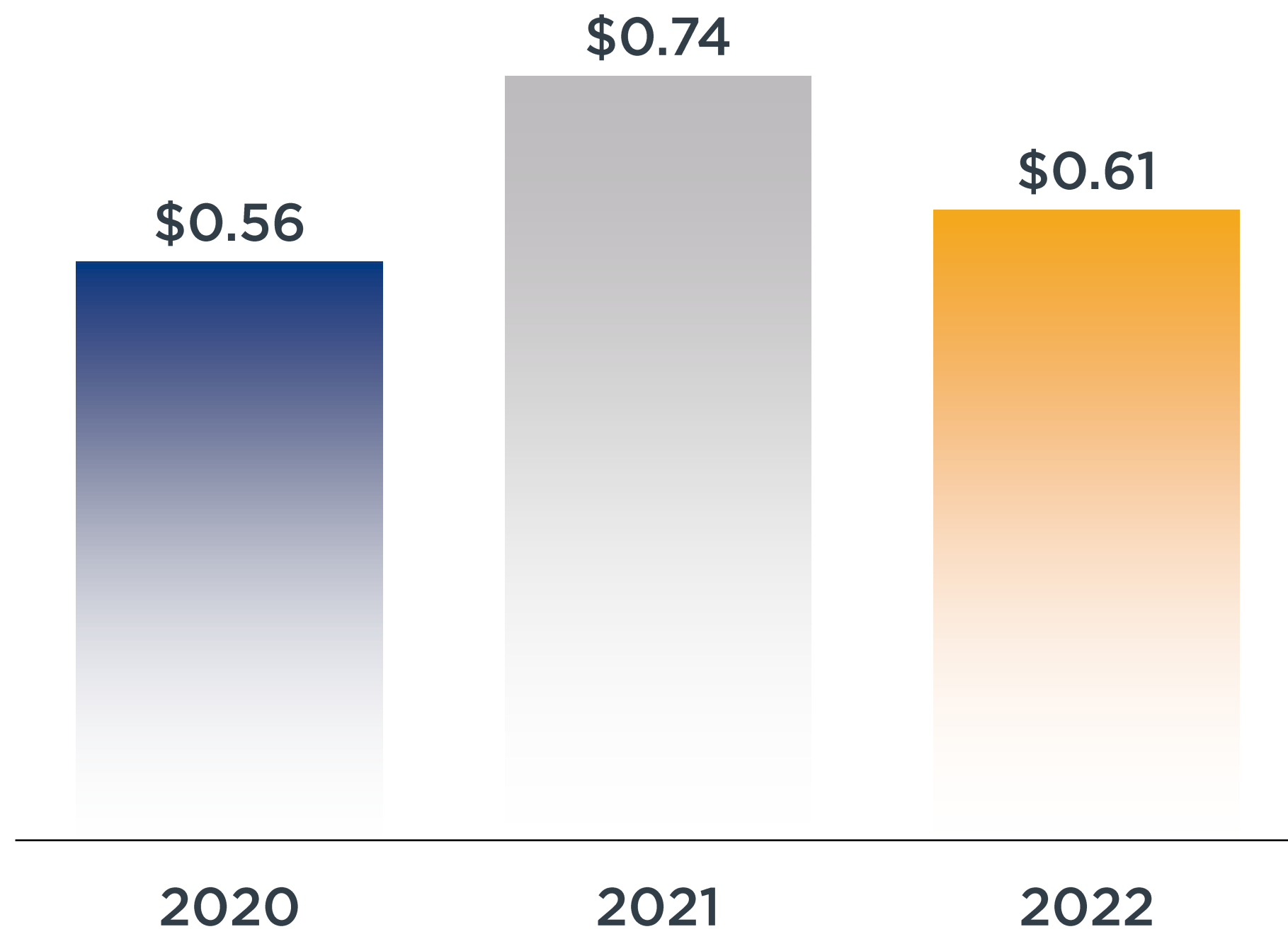
KEY FINANCIAL METRICS — STABLE NET ASSET VALUE



KEY FINANCIAL METRICS — DISTRIBUTIONS & RETURNS

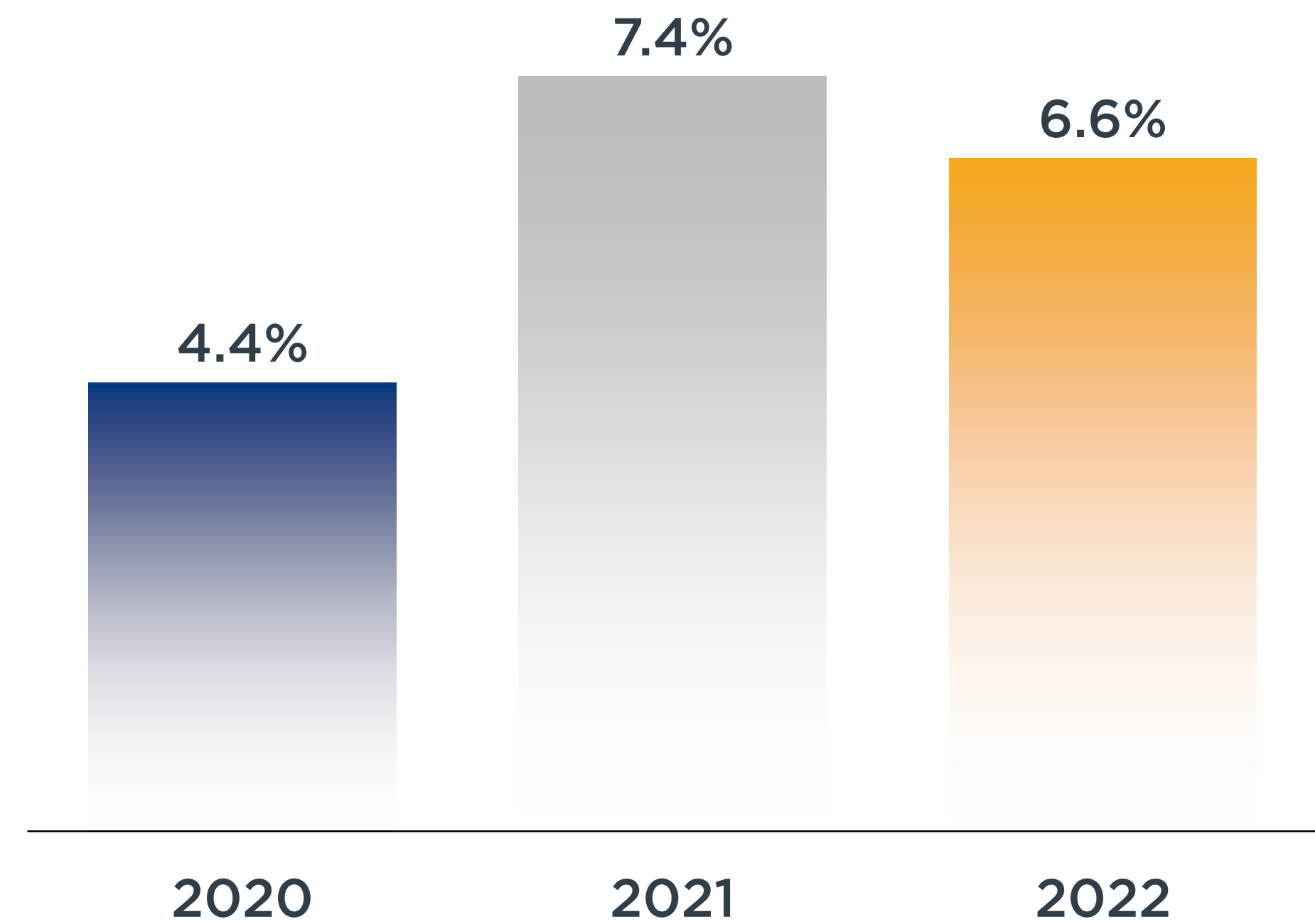
Unitholder Distributions

\$/unit

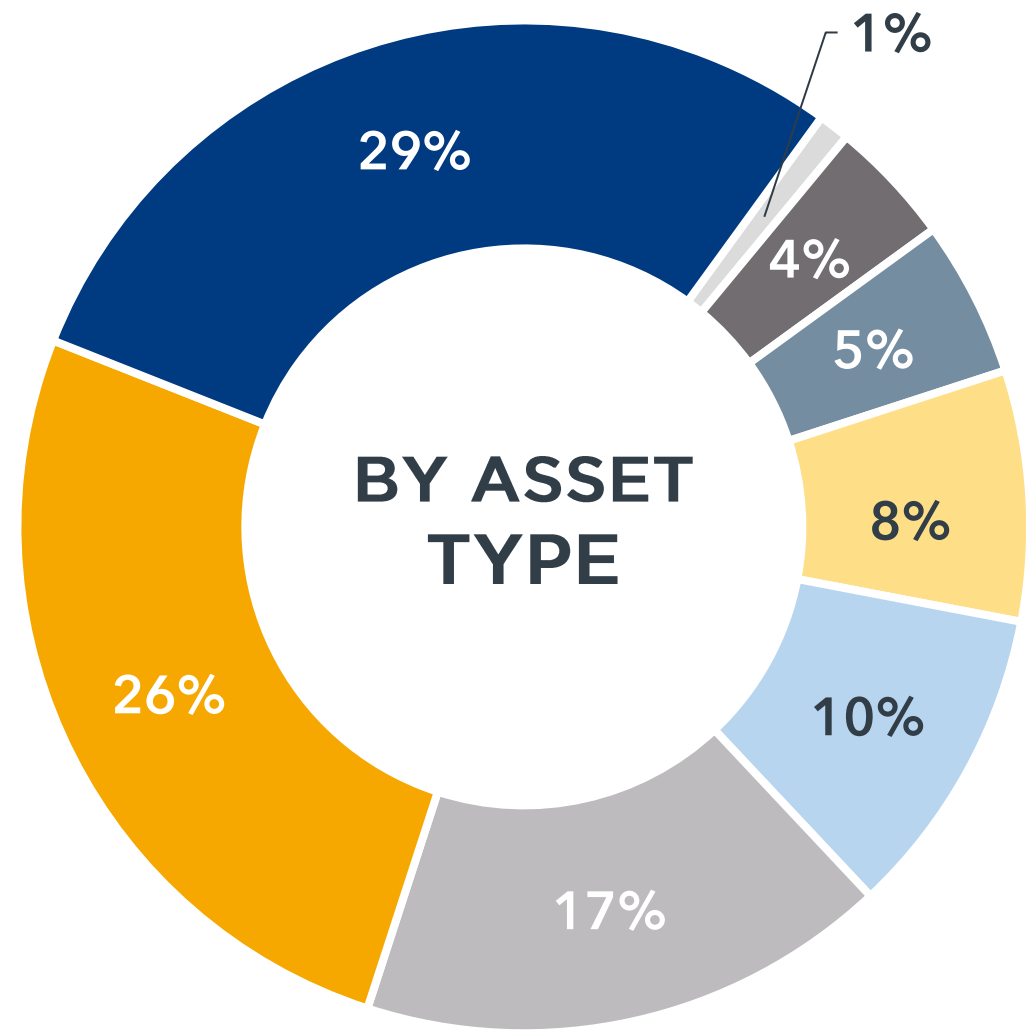


Unitholder Return

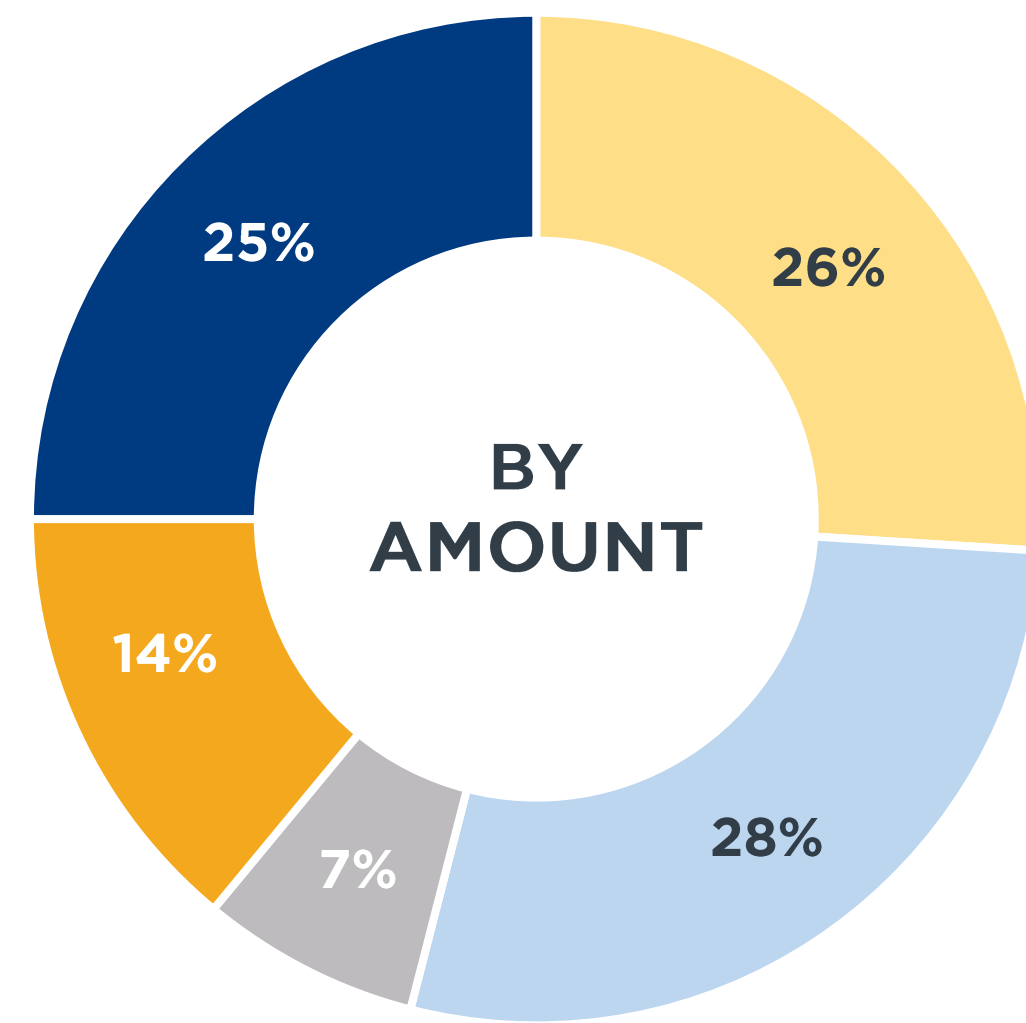
compounded net % return



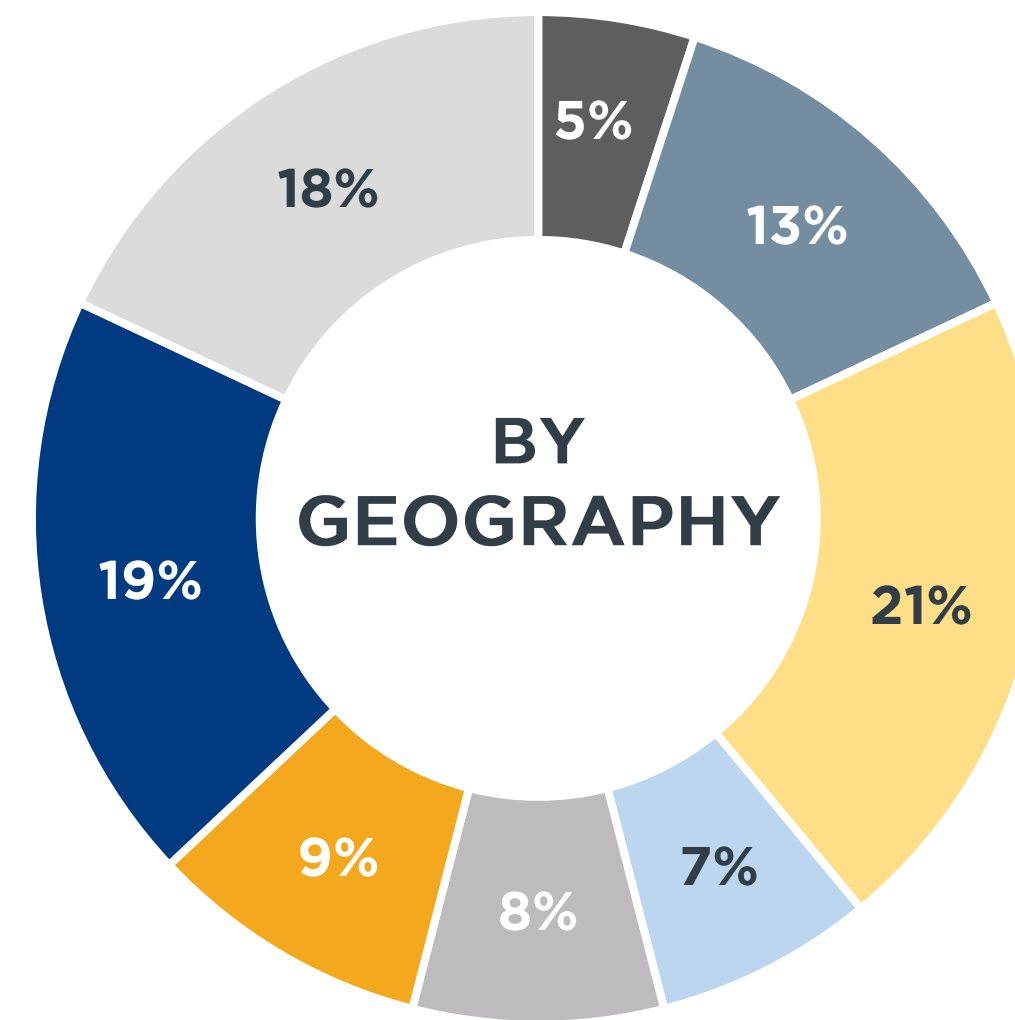
PORTFOLIO REMAINS WELL DIVERSIFIED



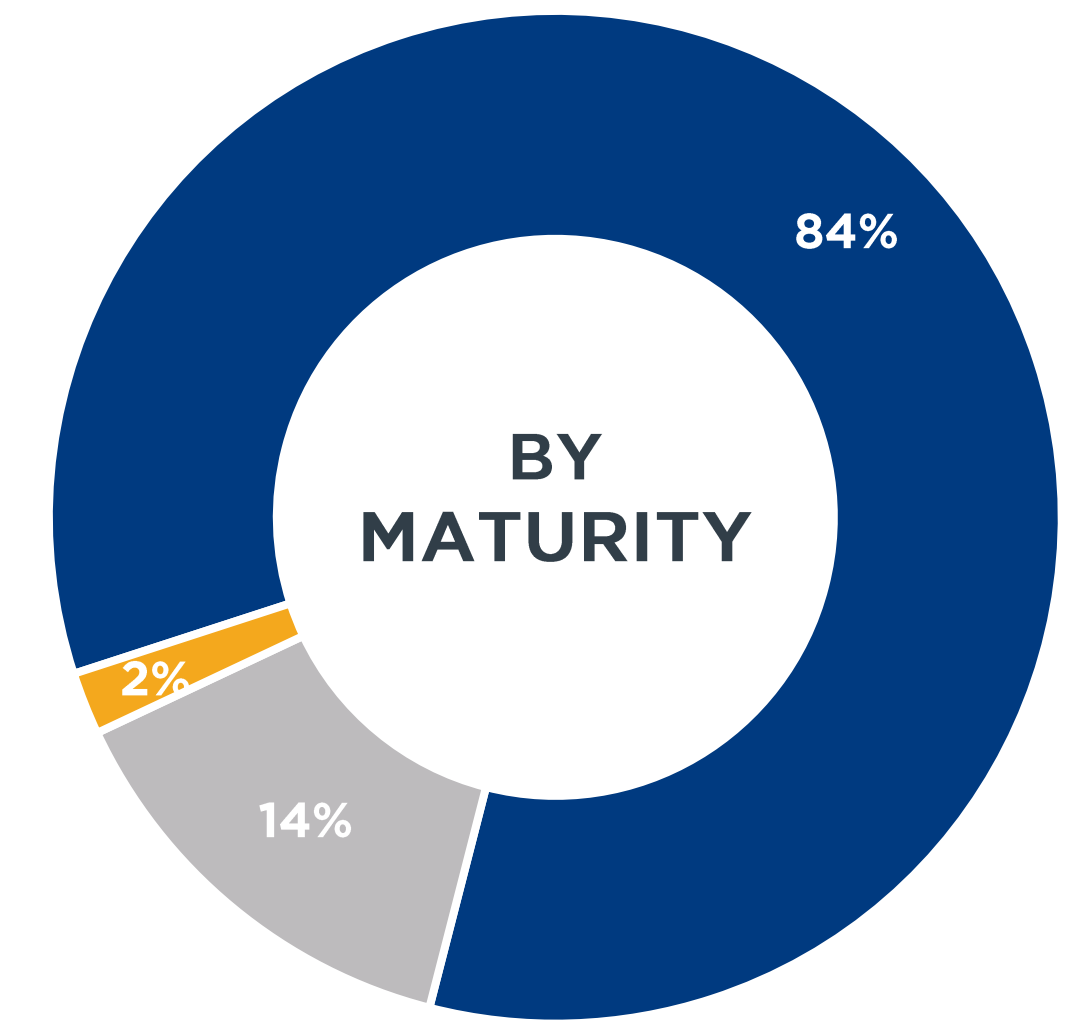
- Office
- Condominium
- Other
- Leisure & Entertainment
- Retail
- Industrial
- Mixed Use
- Residential



- Under \$20M
- \$20-\$40M
- \$40-\$60M
- \$60-\$80M
- Over \$80M



- Alberta
- British Columbia
- Ontario
- Other CDN
- Florida
- Texas
- California
- Other US

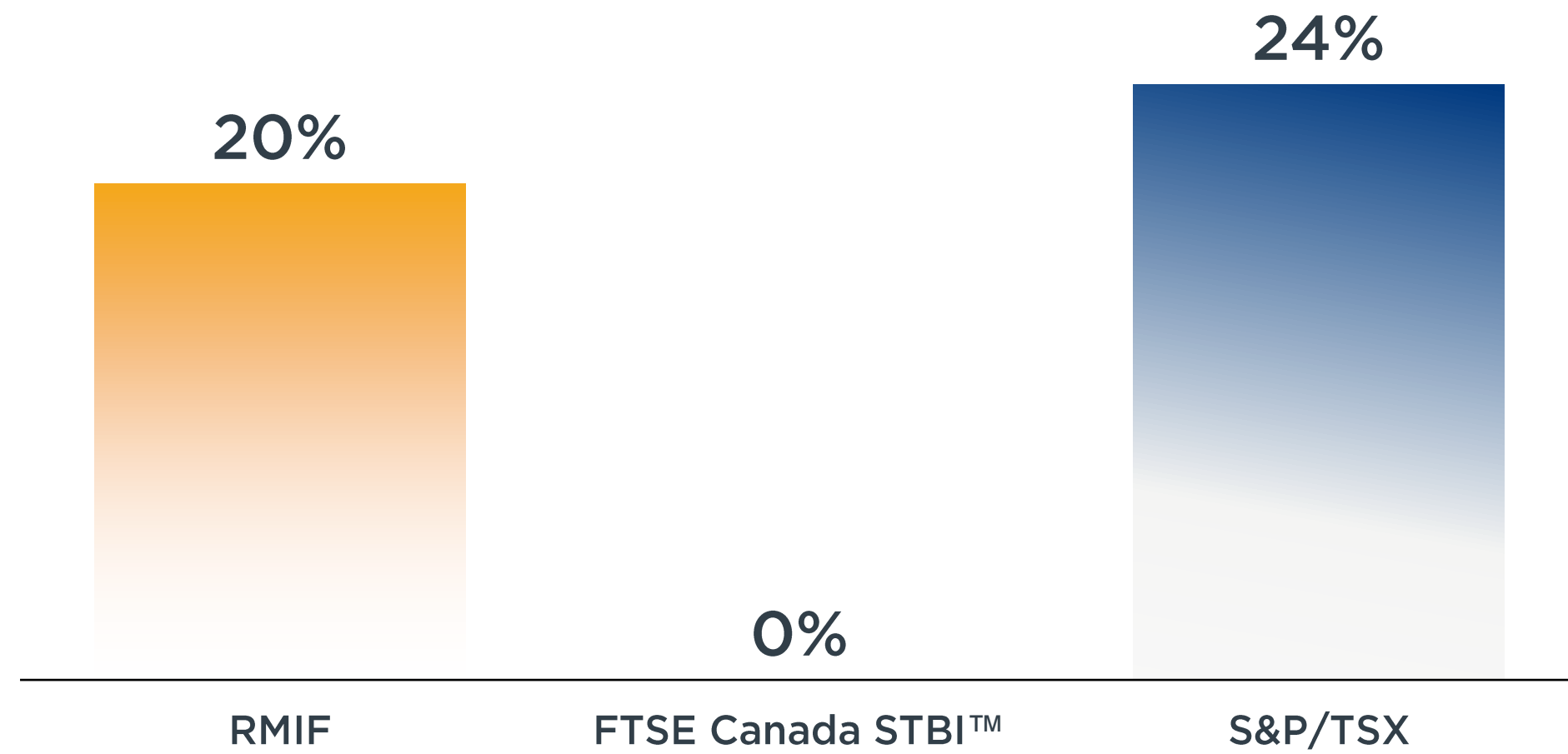


- Under 1 year
- 1-2 years
- 2-3 years

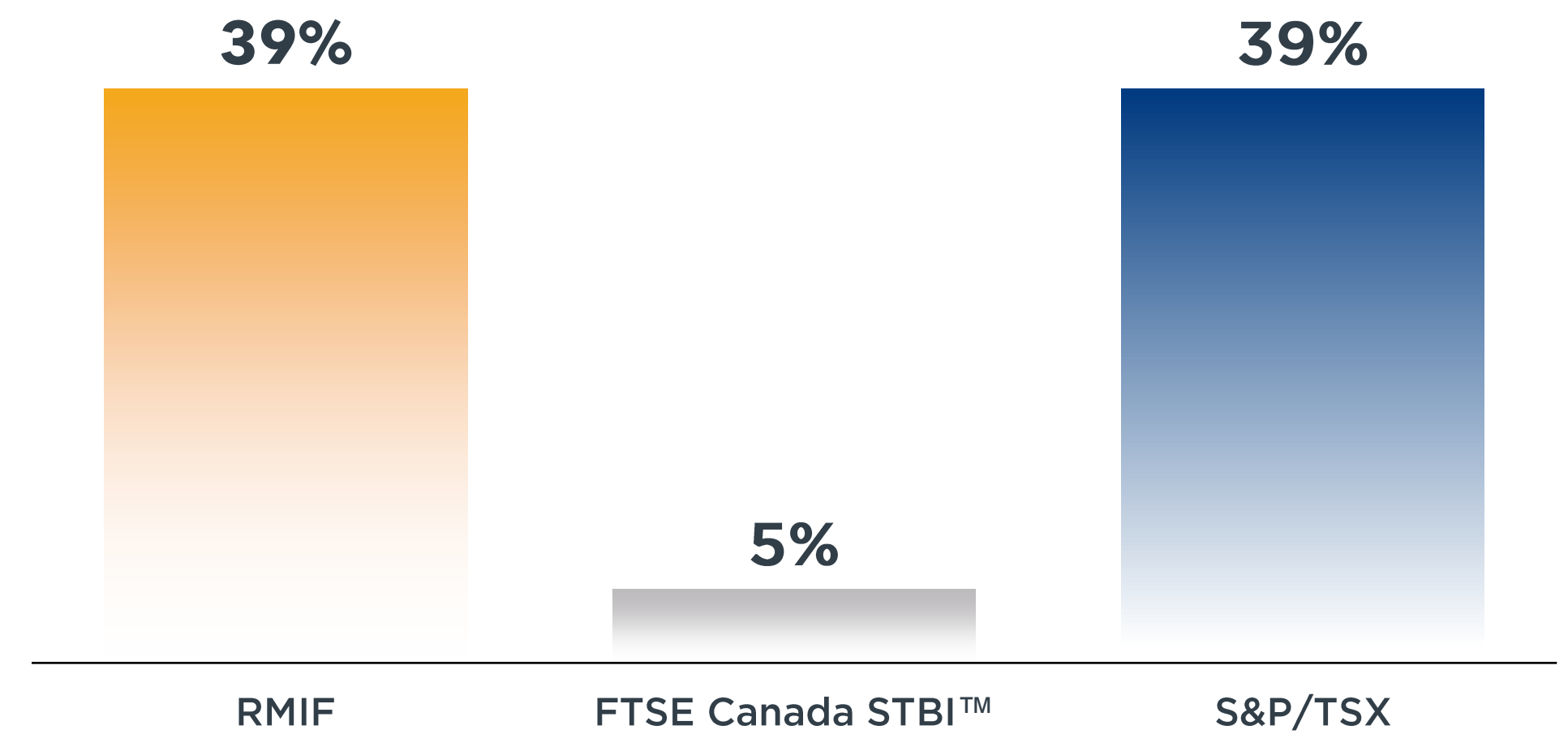


ROMSPEN CONSISTENTLY OUTPERFORMS BENCHMARKS FOR OTHER ASSET CLASSES

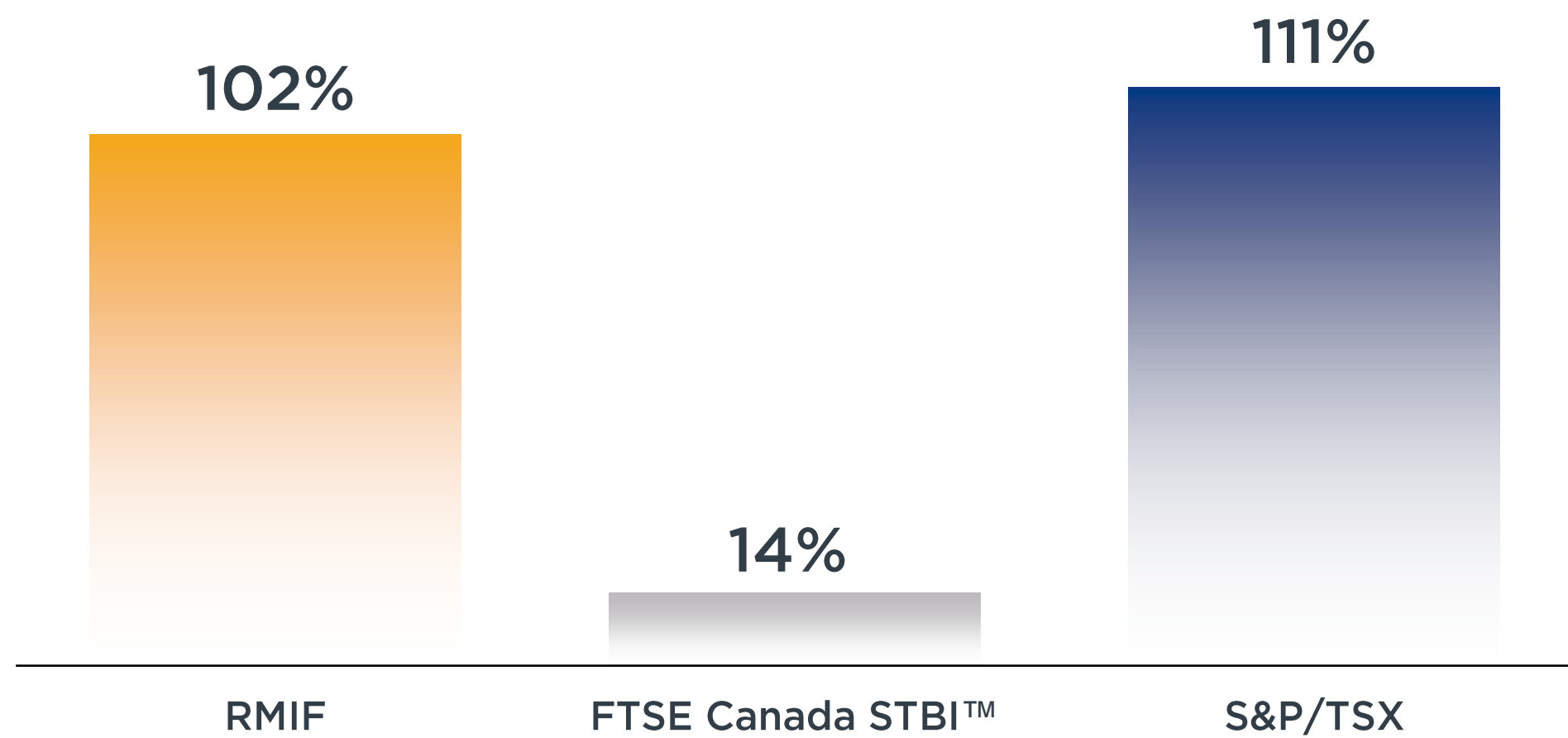
3-YEAR PERFORMANCE



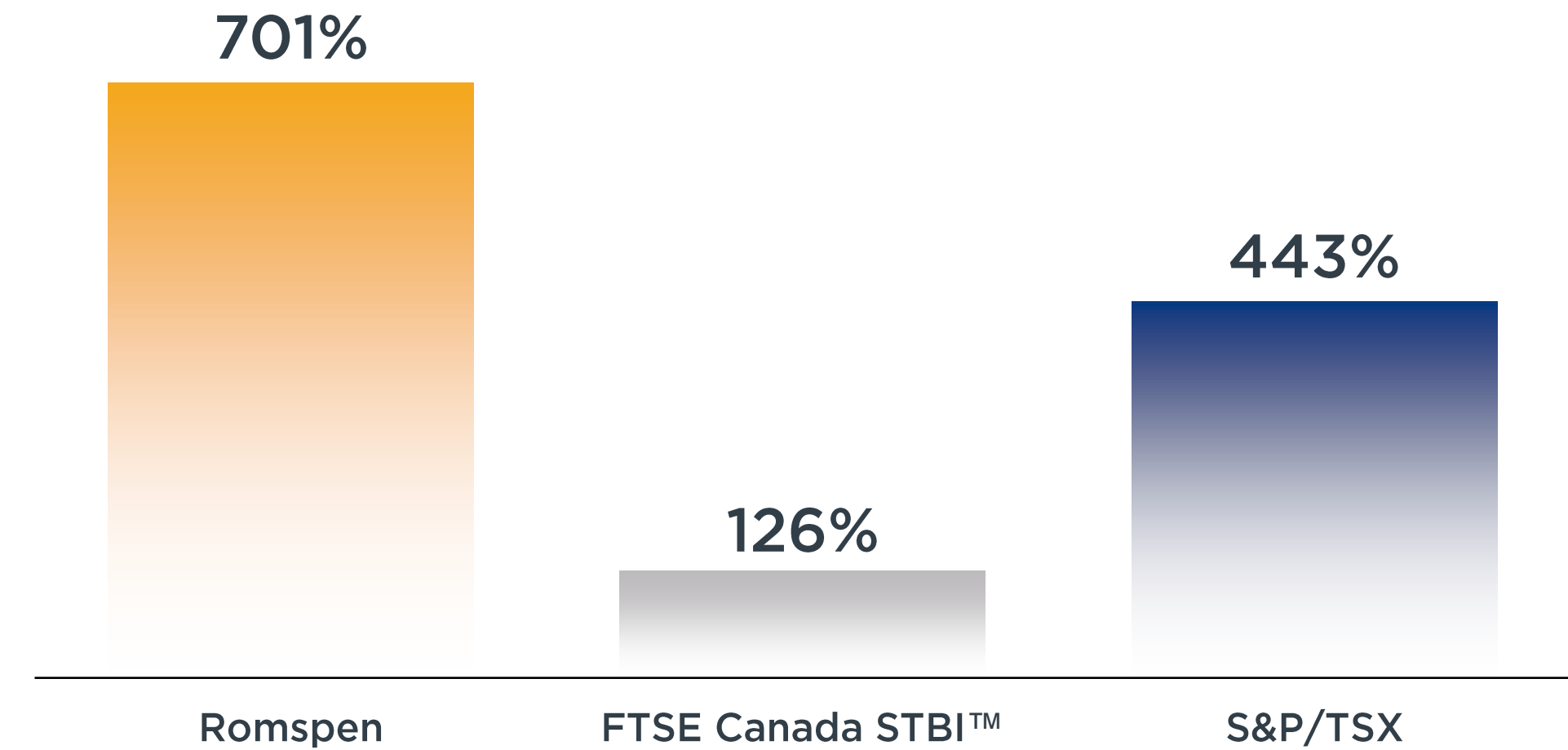
5-YEAR PERFORMANCE



10-YEAR PERFORMANCE



25-YEAR PERFORMANCE



2023 Outlook & Q1 Performance



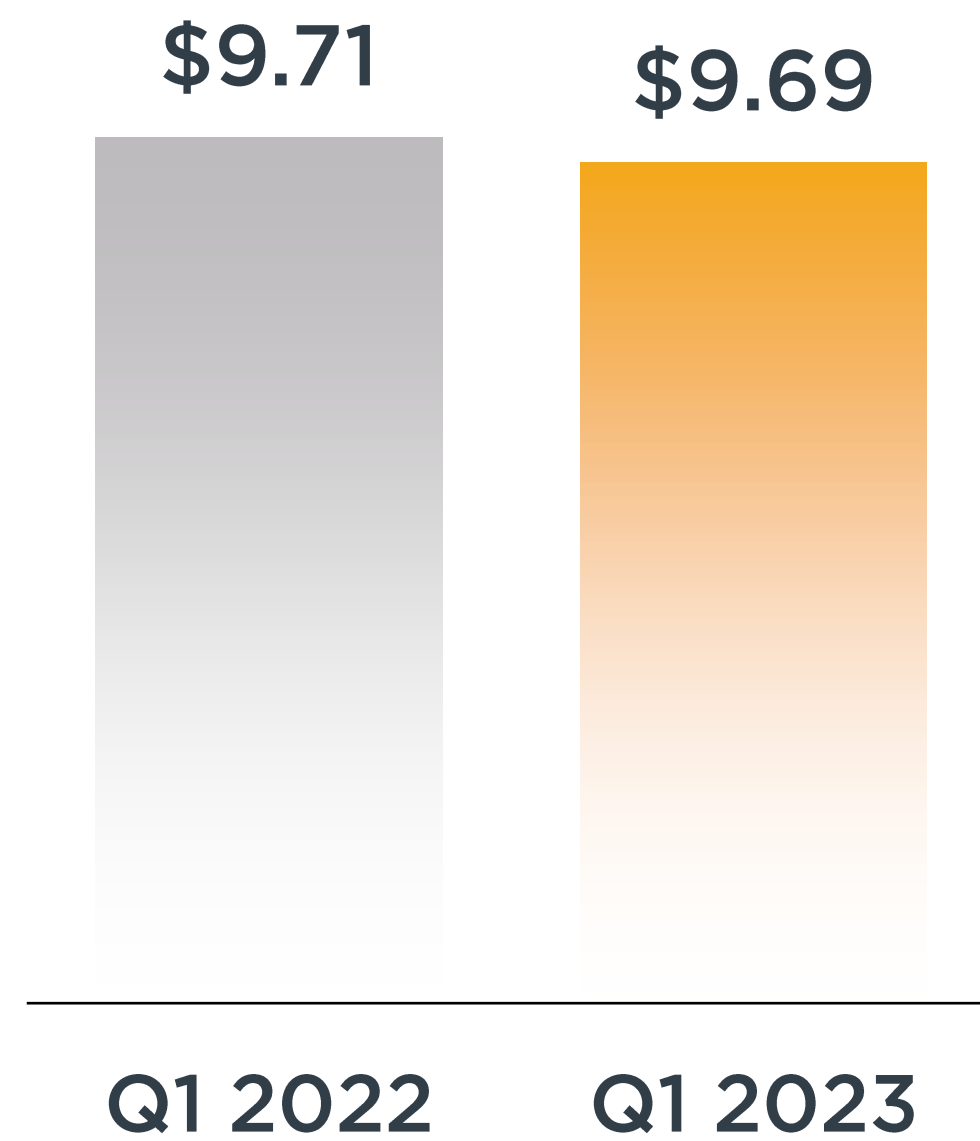
2023 - NAVIGATING ECONOMIC HEADWINDS

- Higher interest rate environment expected to continue
- Real estate transaction activity to remain constrained
- Opportunities in several sub-sectors, will remain distressed in others
- Fund's scale, track record, and expertise will allow us to persevere through challenging conditions

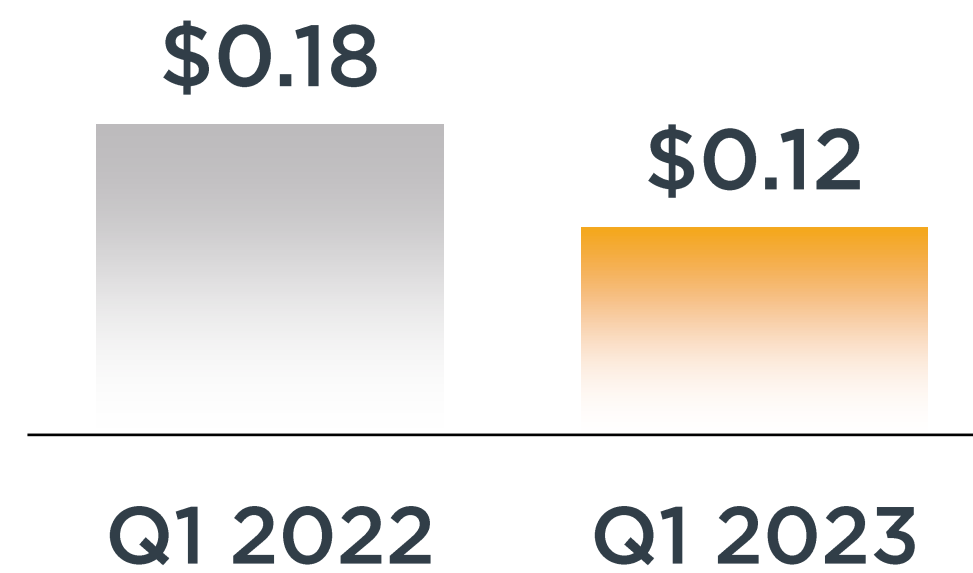


2023 Q1 PERFORMANCE - POSITIVE RESULTS IN A CHALLENGING QUARTER

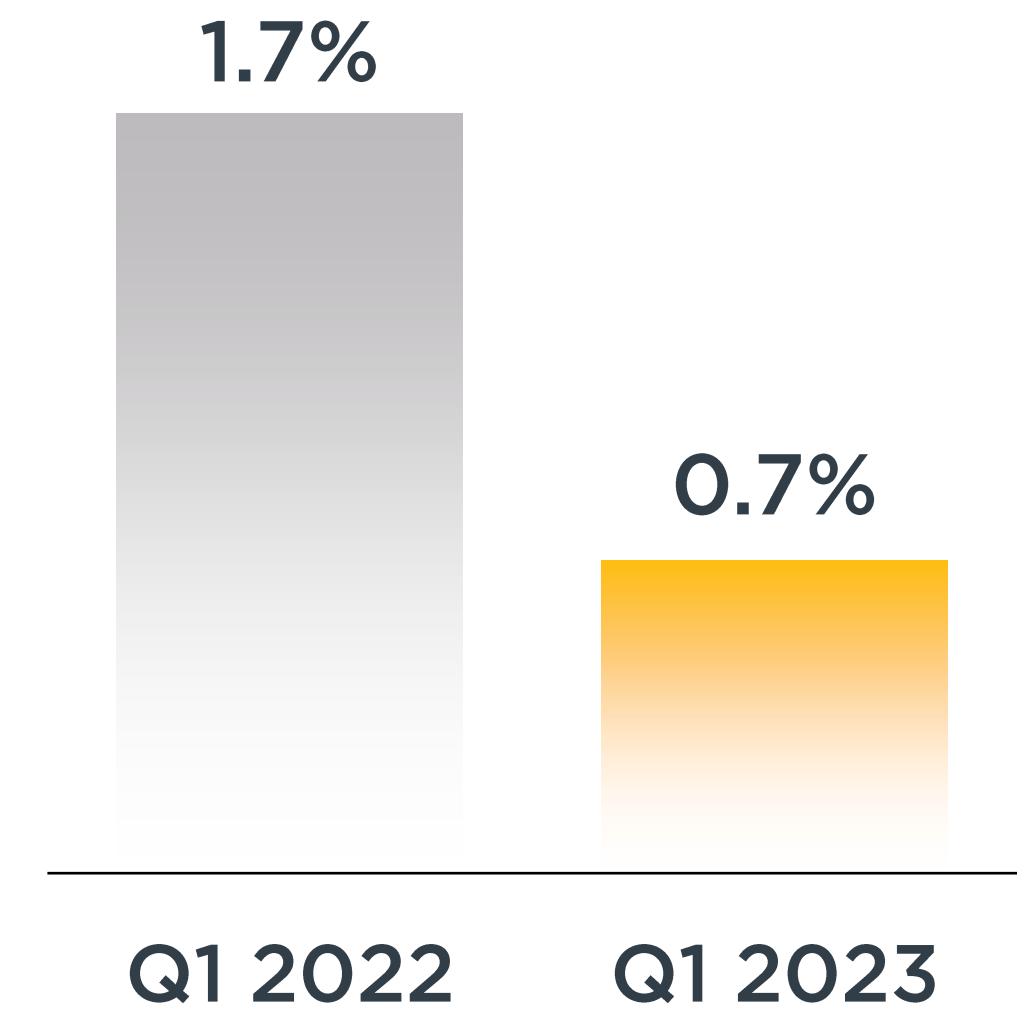
Unit Value



Distributions

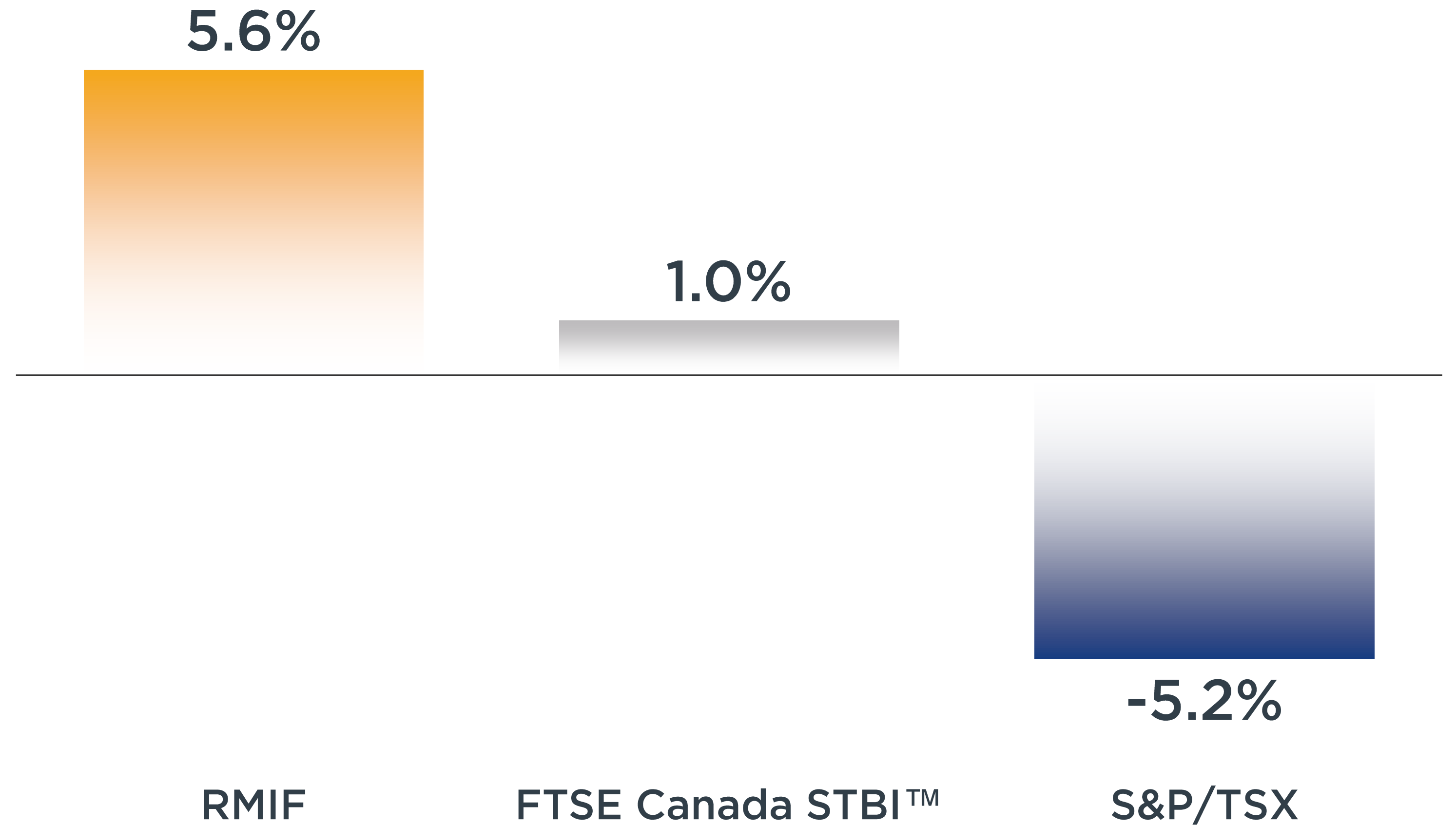


Return



2023 Q1 PERFORMANCE (TTM March 31, 2023)

Continues to outperform through Q1



2023 SECTOR OUTLOOK

- Single-family** • Undersupplied in many markets, higher rates constraining supply
- Multi-family** • Constrained supply will drive high demand with opportunities in U.S. Sunbelt
- Retail** • Retail foot traffic improvement and opportunities to transform existing spaces
- Office** • Continuing hybrid work practices dampening demand
- Industrial** • Increased demand for on-shore manufacturing and third-party logistics





Wesley Roitman

Managing General Partner & Trustee



Issues/ Opportunities



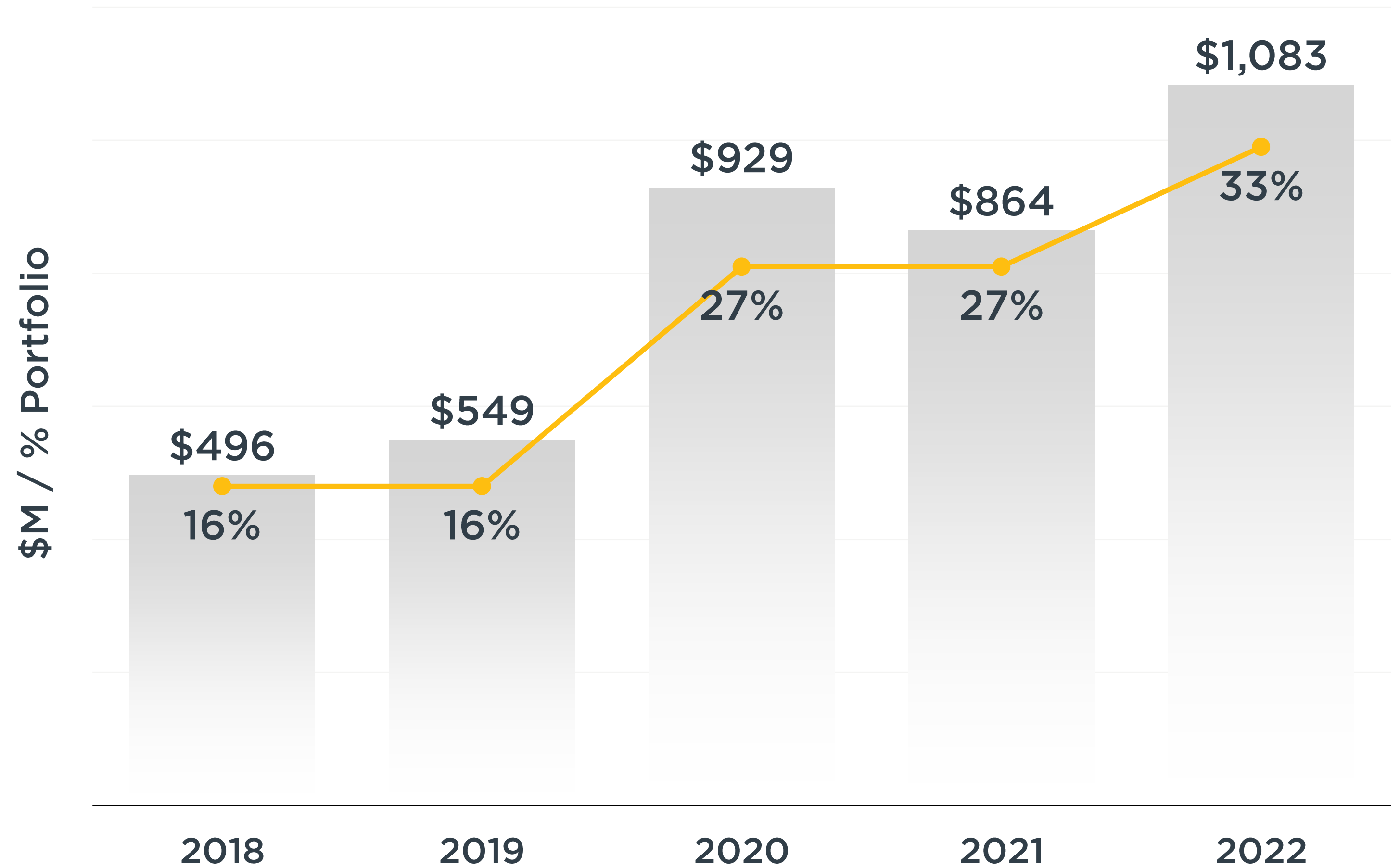
NON-PERFORMING LOANS EXPLAINED

- Fundamental part of the business with 10-12% rates; part of the risk/return equation
- We expect NPLs & our business model is tailored to address
 - 1st mortgage security
 - no structural leverage
 - significant diversification
 - dedicated, experienced, multi-disciplinary workout group
 - never a forced seller
- Non-performing loans \neq losses
 - longer repayment
 - lower return but not always
 - increased administration
- Demonstrated results
 - 10-year (losses < 0.7% invested capital)
 - rare that a realized loss > balance sheet provision



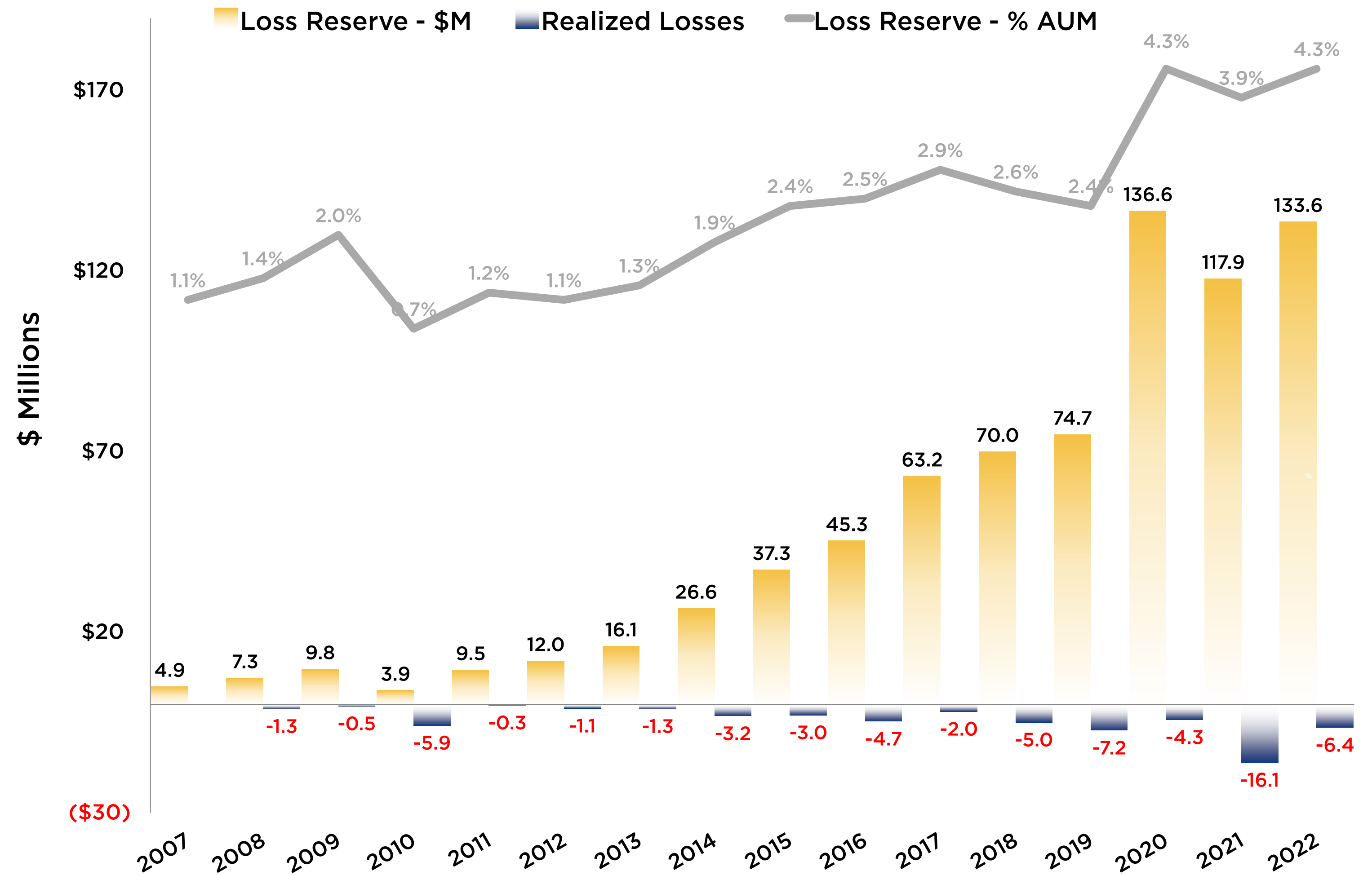
NON-PERFORMING LOANS

Increase in NPLs is a direct consequence of COVID-19 and the overall slowdown in real estate transaction activity



LOSS RESERVES & REALIZED LOSSES

Realized losses as a % of capital invested are 0.7% over the past decade



WORKOUT CASE STUDY | HINN PORTFOLIO LOAN, WOODBINE MALL, TORONTO, ONTARIO

Type: Acquisition financing

Location: Toronto, Ontario

Property Description: 51-acre shopping mall site, plus other properties

Total Indebtedness: ~\$330M

Advance Date: Various dates commencing in 2013

Enforcement Date: March 2023

Corrective Action: Application to appoint a receiver

Workout Strategy: Solve development and tenant issues, sell as a redevelopment site

Status: In receivership (since May 2023)



WORKOUT CASE STUDY | ATMOSPHERE, RICHMOND, BRITISH COLUMBIA

Type: Construction financing

Location: Richmond, British Columbia

Property Description: 7 mixed-use towers

Total Indebtedness: ~\$200M

Loan Closing Date: November 2019

Enforcement Date: Demand letter - February 2021

Corrective Action: Consent CCAA proceedings
(April 2022)

Workout Strategy: Stabilize the property, renew building permits, sell to or enter into a joint venture with a developer

Status: CCAA



WORKOUT CASE STUDY | TECH 3443, AUSTIN, TEXAS

Type: Acquisition and construction financing

Location: Austin, Texas & Edmonton, Alberta

Property Description: 109-acre office/industrial site near airport

Total Indebtedness: ~\$160M (USD)

Loan Closing Date: April 2018

Enforcement Date: Demand letter – October 2019

Corrective Action: Foreclosure petition; Chapter 11 bankruptcy trustee appointed (April 2020); Romspen acquired the property in partial payment of its debt (October 2020)

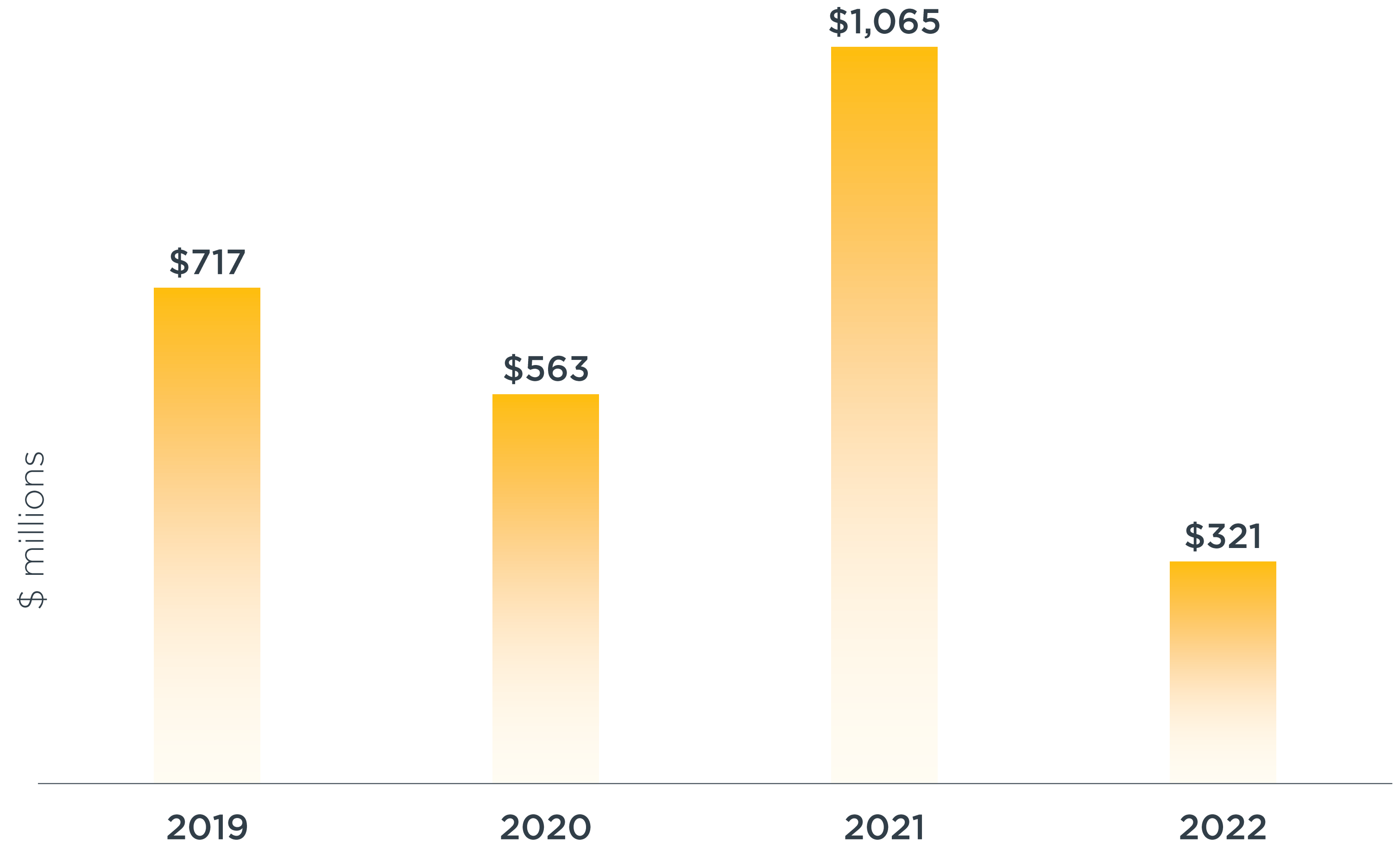
Workout Strategy: Subdivide the site, renovate and lease buildings, construct new buildings, and monetize in parts

Status: In progress



LIQUIDITY - TOTAL DOLLAR VOLUME OF MORTGAGES PAID OFF BY YEAR

Very choppy since the COVID-19 pandemic. Mortgage repayments have fallen dramatically since 2021.



MANAGING REDEMPTIONS

- Balancing investor liquidity needs with Fund objectives
 - Fund must retain enough capital to honour its construction loan commitments and refresh the mortgage portfolio with new loans
 - 63% increase in redemption requests in 2022
- Stressed markets negatively impact NPLs and liquidity
- Must be patient in order to yield solid results for our unitholders
- Run-off Pool and redemption deferrals put in place
- Honouring redemptions remains a priority



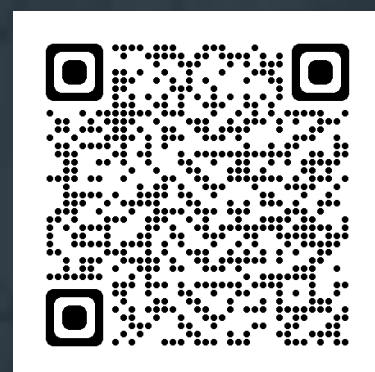
END NOTES

1. Results and other figures shown are either as at December 31, 2022, or March 31, 2023, as indicated. Sources for data and analyses include Romspen Investment Corporation, the Fund, PricewaterhouseCoopers, Bank of Canada, FTSE Russell®, TSX®/S&P®.
2. Any returns or data shown which refer to a period of time that extends prior to January 16, 2006, such as those on page 15 and 22, reflect a combination of the results of an aggregated pool of individually syndicated mortgages then managed by Romspen Investment Corporation (based on an analysis provided by PricewaterhouseCoopers) with the results of the Fund (the successor to that aggregation of individually syndicated mortgages) for periods after January 15, 2006.
3. Performance data is unaudited and is taken from Fund's audited and unaudited (for periods including Q1 2023) financial statements, which are available for review. The performance data assume the reinvestment of all Fund distributions. Values may not add up to the totals provided due to rounding.
4. Rates of return are historical annual compounded returns after deducting management fees and expenses payable, and include changes in unit value and assume the reinvestment of all distributions. They do not take into account any applicable sales, redemption, or distribution charges, or income taxes payable that would have reduced returns. The calculation assumes a fixed historical monthly starting and ending date at the Unit value at such date, and that Unit values are capped at \$10.00. For that reason, they may not reflect a unitholder's actual return for purchases prior to 2018.
5. The FTSE Canada Short-Term Overall Bond Index™ ("Bond Index") is a market capitalized weighted index composed of a diversified range of semi-annual pay, fixed-rate investment grade Canadian government and corporate bonds, with terms to maturity of between 1 and 5 years. The Bond Index returns are based on 24 years of data due to data restrictions. The S&P®/TSX® Composite Index ("S&P®/TSX®") is a market capitalization weighted index of approximately 250 of the largest publicly-traded companies in Canada and is the broadest gauge of the performance of publicly-listed Canadian equities. These are unmanaged, broadly based indices and measurements that do not reflect any management fees and assume reinvestment of income. They should not be considered "benchmarks" for the Fund, as they do not track commercial mortgage investments, which is the Fund's investment strategy. Whenever the Fund's return for a given time period is compared to the performance of these indices over the same time period, the purpose is to compare the Fund's return against the performance of other major Canadian asset classes typically included in an investment portfolio.
6. An investment in units of the Fund is not guaranteed, the Fund's value may change frequently and past performance may not be repeated.
7. A number of financial measures in this presentation are calculated and presented using methodologies other than in accordance with International Financial Reporting Standards ("IFRS"), including non-performing loan measures. Non-IFRS financial measures are intended to provide unitholders with additional information and insight regarding the Fund's historical operating results and financial position. These non-IFRS measures have limitations as analytical tools and should not be considered as the sole performance measure and should not be considered in isolation from, or as a substitute for, similar financial measures calculated in accordance with IFRS. Readers are cautioned that these non-IFRS financial measures or financial metrics may differ from the calculations disclosed by other businesses and, as a result, may not be comparable to similar measures presented by other issuers or entities.
8. This document is for informational purposes and is not an offer to sell or a solicitation to buy units of the Fund, nor does it constitute investment, financial or other advice. Prospective investors should contact their own investment advisor. Information pertaining to the Fund is not to be construed as a public offering of securities in any jurisdiction of Canada. Information provided herein by third parties is believed to be reliable, but has not been independently verified. Romspen Investment Corporation ("Romspen") does not guarantee its accuracy or completeness and assumes no responsibility for any errors or omissions. The offering of units of the Fund is made on a private placement basis pursuant to the Fund's offering memorandum, only to those investors in certain jurisdictions of Canada who meet certain eligibility requirements under applicable securities legislation. Important information about the Fund, including statement of the Fund's investment objectives and important risk factors, is contained in the offering memorandum, a copy of which may be obtained from Romspen Investment Corporation. Please read the offering memorandum carefully before investing. In the event of an inconsistency between this document and the offering memorandum, the provisions of the offering memorandum shall prevail.
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THANK YOU!



Romspen Mortgage Investment Fund

162 Cumberland Street | Suite 300 | Toronto | ON | M5R 3N5 | Canada

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