Annual Report 2024

ROMSPEN

Romspen Mortgage Investment Fund
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romspen.com

Contents

Front & Back Cover
Eturna Beachside Residence - Hollywood, FL USA

Water Street by the Park Condos - Kelowna, BC Canada

About Romspen

With roots stretching back over 60 years, Romspen Investment Corporation is one of Canada's largest private commercial mortgage firms, overseeing $3.1 billion[1] of assets on behalf of retail and institutional investors globally. Romspen also manages the Romspen Mortgage Investment Fund, one of Canada's largest private mortgage funds.

Our experienced and aligned team of over 80 professionals is guided by six core principles: investor value, partnership, commitment, responsibility, risk management and long-term perspective. As industry veterans, we are known for our solution-oriented and outcome-focused approach.

Romspen's financial goals centre on capital preservation and delivering consistent long-term performance to investors. Our proven strategy, value-enhancing financial solutions, and prudent approach to commercial mortgage lending support these goals. We provide borrowers with timely capital deployment and value-enhancing guidance, funding innovative projects often overlooked by traditional lenders.

Our investors include high-net-worth individuals, family offices, foundations, endowments, and pension plans, and it is our privilege to serve them. As skilled problem-solving experts with an entrepreneurial approach, we create long-term value for both our investors and borrowers.

1. As of December 31, 2024

60+	$3.1B	80+
Years of Experience	AUM	Employees

Aston at Gateway Apartments - El Monte, CA USA

Drift Hotel Palm Springs - California USA

Fund Overview

Romspen Mortgage Investment Fund

The Romspen Mortgage Investment Fund (RMIF) has a long-term track record of mortgage investing and oversees $2.9 billion[1] of assets, specializing in strategic short-term commercial mortgages in Canada and US.

Fund Objective

The Fund's investment mandate is capital preservation, strong absolute returns, and performance consistency. It strives to deliver positive returns to unitholders regardless of the geopolitical or economic climate, or the performance of equity or fixed-income markets and other major asset classes.

Fund Strategy

The Fund primarily invests in short-term, first mortgage loans secured by a diversified pool of real estate assets across North America. Our mortgages are typically unconventional, complex, and illiquid by nature, yet they achieve long-term, generally uncorrelated performance while maintaining capital stability.

The Fund's balance sheet is managed conservatively, avoiding structural leverage to enhance returns. The merits of our approach to mortgage investing, bolstered by strict adherence to risk management, and long-term thinking, underscores the Fund's long-term track record since inception.

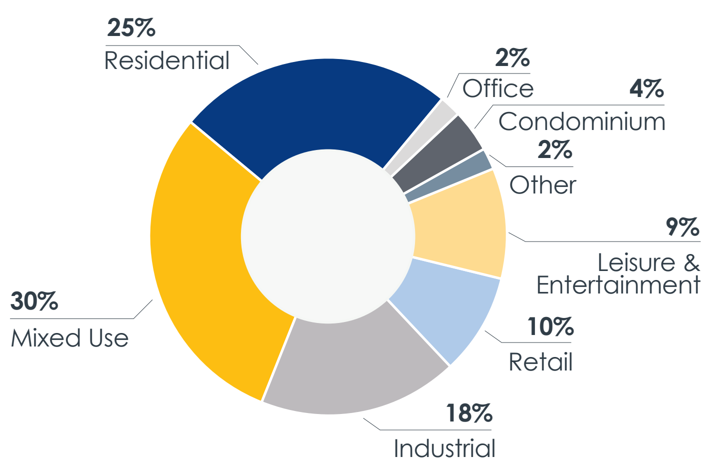
1. As of December 31, 2024

2024 Highlights

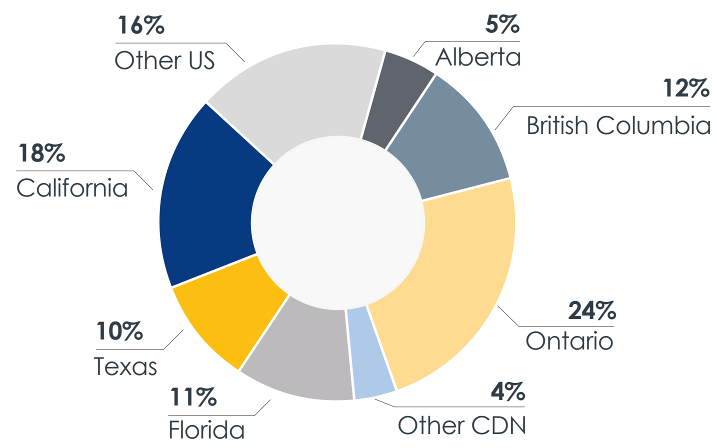
Investment Portfolio Profile

As of December 31, 2024

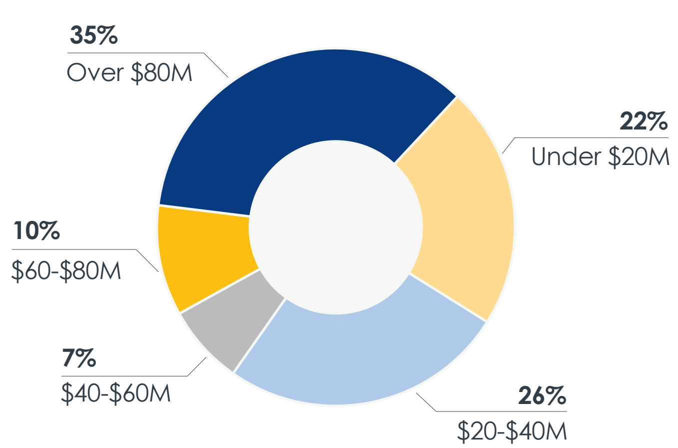
By Type



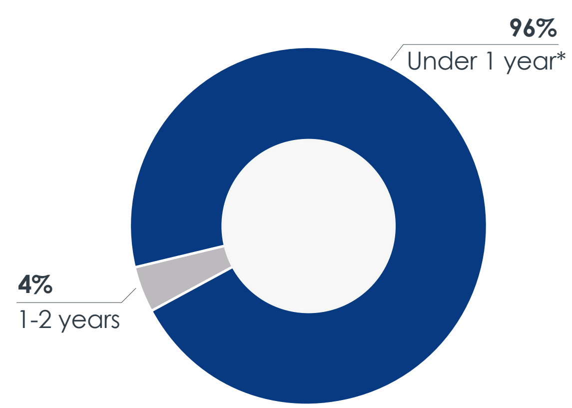
By Geography



By Amount



By Maturity



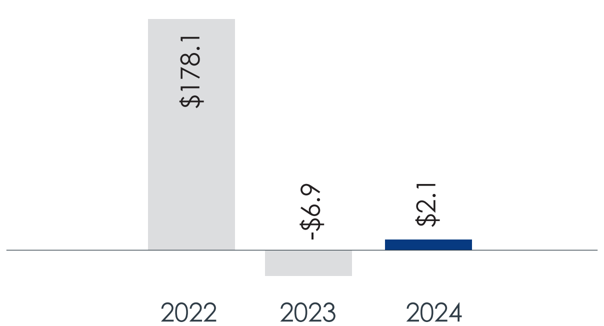
* Includes mortgages in overhold

Aston at Gateway Apartments - El Monte, CA USA

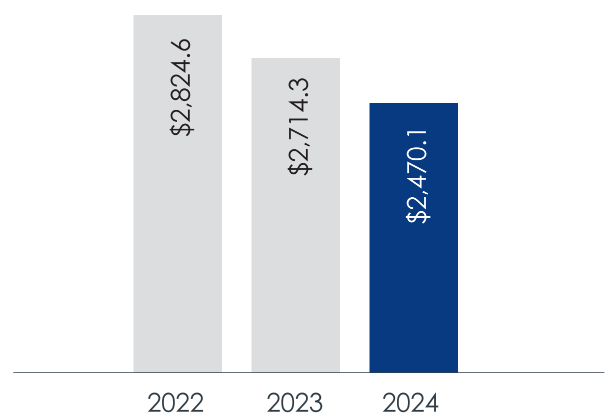
2024 Highlights

Key Metrics

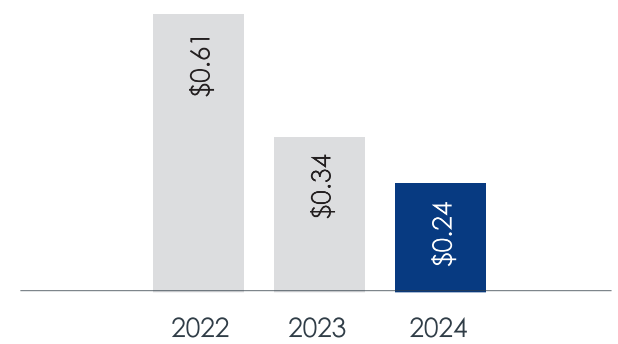
Net Earnings (Loss)
($ millions)



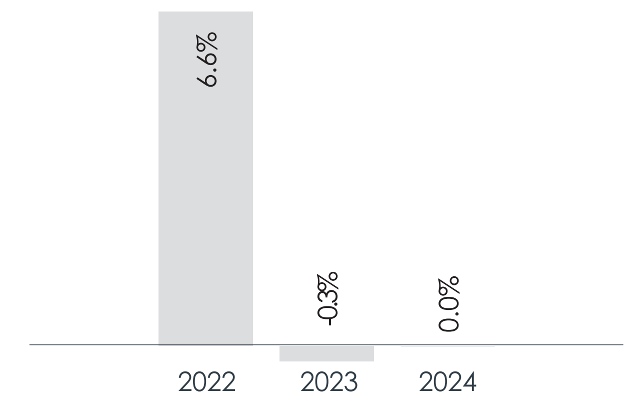
Net Investment Portfolio
($ millions)



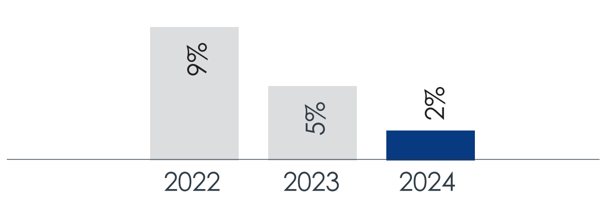
Unitholder Distributions
($/unit)



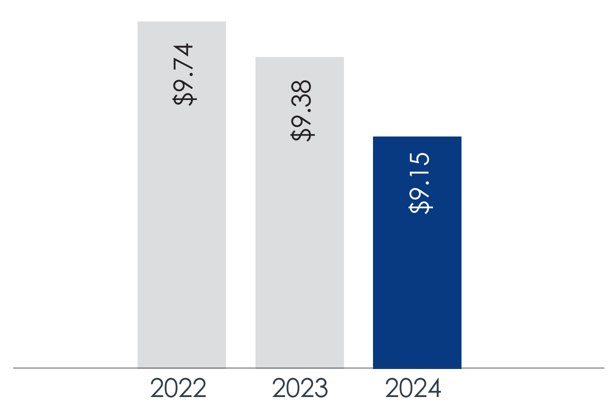
Unitholder Return[1]



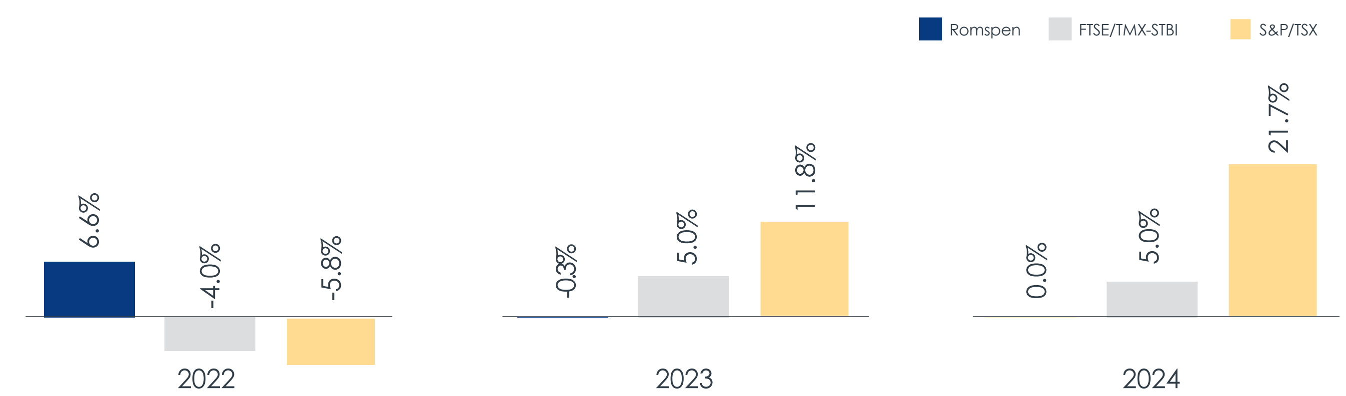
Net Leverage
(% of net investment portfolio)



Net Asset Value
($/unit)



Comparative Performance
Annual % Return[1]



5 Year Cumulative Compound Returns		
	Romspen	19%
	FTSE/TMX-STBI	10%
	S&P/TSX	69%

1 The indicated rates of return are historical annual compounded returns, after deducting management fees and expenses payable by the Fund, 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 by any unitholder, that would have reduced returns.

Romspen returns are net; comparative benchmarks are gross returns.

Trustees' Letter

Dear Fellow Unitholders:

2024 was a transitional year for the Fund. While distributions remained below expectations, it was also a year where we began to make progress in our concerted efforts to implement our strategy of returning the Fund to a path long-term stability and performance.

Financial Highlights

For the year ended December 31, 2024, the Fund's net income was $2.1 million ($0.01 per unit), compared to net loss of $6.9 million (- $0.02 per unit) in 2023. Distributions were $68.2 million ($0.24 per unit) and the compounded net return to unitholders was Nil percent in 2024, compared to $95.9 million (per unit) and -0.3% in 2023. The muted return was ameliorated somewhat by the fact that Fund distributions for the year were characterized as a non-taxable return of capital. Actual losses of $68.3 million, across 18 mortgage loans, were realized during the year.

At year-end, the net portfolio was $2.5 billion (99 mortgages and investments), a decrease of 9% compared to 2023. Unitholders' capital totalled $2.6 billion, a decrease of 1.0% compared to $2.7 billion in 2023. The Fund's portfolio and earnings remain well diversified by property type, geography, size and currency. Net debt (debt less cash) was $60.2 million, or 2.4% of the net portfolio value, compared to $128.0 million, or 4.7% of the net portfolio value in 2023. The weighted average interest rate of the portfolio was 9.2% in 2024 compared to 9.0% last year. The weighted average interest rate on performing loans was 12.3% (2023 – 11.5%).

The Fund's NAV was $9.15 per unit compared to $9.38 per unit in 2023. NAV fluctuations arise as taxable income differs from accounting income due to differences in the treatment of loss reserves, non-accrued interest, foreign exchange hedging, and other tax considerations. Approximately 67% (2023 – 69%) of the Fund's US dollar exposure is hedged by the borrowers directly, or by forward contracts.

Financial Presentation

In accordance with International Financial Reporting Standards, the Fund's financial statements are unconsolidated, which provides limited insight into the actual performance of the mortgage loan portfolio. To provide useful, transparent and comparable information, a set of combined financial statements has been included in the Management's Discussion and Analysis ("MD&A", pp. 13 - 22). We suggest that these financial statements in the MD&A be used as the primary reference point.

Economy, Markets & Portfolio

By the end of 2024, positive sentiment in North American real estate and real estate credit markets had started to build in most sectors, as asset values became more visible, and transaction activity began to stabilize (though still below pre-pandemic levels). Multi-family and industrial remained the strongest asset classes, while even the office sector, though not out of the woods, showed early signs of stability in certain markets. Alternative asset classes like data centers and healthcare are expected to be future growth areas. However, real estate credit availability remained tight and underwriting standards among lenders remained fairly restrictive.

Against this backdrop, the Fund had a mixed year. While increased transaction activity in the market in the latter part of 2024 provided the opportunity to monetize some selective real estate assets at acceptable prices, and an improving refinancing environment led to a stable number of loan repayments, there continued to be requests for term extensions and other accommodations from our borrowers. On the whole, however, the Fund ended 2024 on a more positive liquidity footing than a year earlier.

As the Fund was liquidity constrained during most of 2024, there was no new loan origination during the year. In addition, given such constraints, the payment of unitholder redemption proceeds remains extended. Also, despite our bests efforts to work with borrowers to resolve payment issues, some new mortgage enforcement measures were instituted.

Canadian mortgage loans and investments comprised $1.2 billion, or 45% of the portfolio, compared to $1.3 billion (44%) in 2023. The Canadian portfolio includes 42 mortgage loans, with the largest concentrated in Ontario (24%) and British Columbia (12%). US mortgage loans and investments totaled $1.5 billion (US $1.0 billion), or 55% of the portfolio, compared to $1.6 billion (US $1.2 billion) and 56% last year. The US portfolio includes 57 mortgage loans spread across 21 states, with an emphasis on California (18%), Florida (11%) and Texas (10%).

As a percentage of the overall portfolio, loans under review were higher than the Fund's typical historic range at 36%, same as last year and reflect the continued slowdown and price uncertainty in real estate markets. As we emphasize, loans under review are a feature of the financing niche in which the Fund operates, and may not necessarily result in a loss of principal beyond the provision for losses. Nevertheless, reducing the number of loans under review remains a key priority. Owned assets make up 17% of the portfolio in 2024, compared to 16% in 2023.

Since inception, the Fund has maintained a low realized loss history, at around $135.8 million on $9.8 billion of invested capital, or about 1.4%. Despite rigorous credit analysis, some loans are expected to face challenges or proceed to enforcement. The Fund's management team collaborates with borrowers to navigate temporary obstacles or managing, enhancing, stabilizing, and divesting assets acquired through enforcement. In some cases, such asset dispositions can provide attractive rates of return to unitholders, when calculated from the inception of the original loan. Our commitment to capital preservation and generating consistent long-term results remains fundamental to the Fund's mission.

Strategy & Investment Approach

Our strategy centers on a diversified portfolio of North American first mortgages with a focus on capital preservation and consistent absolute performance. Even in the midst of market disruptions, the Fund remains steadfast in adhering to these guiding principles and strategies. The Fund strives to deliver positive returns to unitholders regardless of the geopolitical or economic climate, or the performance of other major asset classes. Our mortgage loans, characterized by their complexity and relative illiquidity, have historically delivered robust returns, both on an absolute basis and relative to traditional fixed-income investments. The Fund's conservative balance sheet management avoids structural leverage to enhance returns and reinforces our commitment to risk management, long-term thinking, quality service and superior execution. This approach underscores Fund's long-term track record since inception.

Outlook

The obvious elephant in the room as we head into the latter half of 2025 is U.S. trade policy and tariff sabre rattling by the U.S. administration in a manner that seems to change almost daily. While real estate and real estate credit markets were arguably adjusting to a new normal of slightly higher interest rates and lower asset valuations, with an attendant pick-up in transaction volumes and positive sentiment in many sectors, recent events have seen markets take two steps back. Markets loathe uncertainty, and many real estate investors and credit providers are taking a wait-and-see approach on the sidelines.

Many market watchers anticipate the effect of the new trade policy to be stagflationary, an unusual combination of a recession with higher inflation and consequently higher interest rates. In Canada, this could put a hold on further Bank of Canada rate cuts, and we could see a softening job market, and currency fluctuations. Industrial and retail sectors could bear the tariff brunt, as higher input costs translate into lower leasing demand. Another result could be increases in certain construction costs for builders and developers as well as potential building material and supply shortages.

In the U.S., anticipated slower growth and higher inflation has significant downside risk if there is an escalation of tariff wars. Talk of the "sell America" trade will cause long-term Treasury yields to remain higher than many would like, and there may be a reduction in the previously anticipated number of short-term rate cuts by the Fed during 2025. With the impending disruption in global supply chains, observers see retail and industrial as the sectors most at risk, both in terms of investment and leasing activity. Higher construction costs will impact all sectors, but single- and multi-family housing projects will likely be hit hardest.

As mentioned, the Fund entered 2025 with adequate liquid resources. However, we are cognizant of the fact that such capital needs to be allocated carefully and prudentially. There are ongoing capital commitments to borrowers with construction loan facilities, and to real estate assets being repositioned, completed and prepared for disposition. Recognizing the need to bolster unitholder distributions, we anticipate making some modest new loan originations through the balance of 2025 but we are being highly selective when choosing which projects and sponsors to finance.

Our dedicated asset team, to which we continued to add additional capital and staff during the year, devotes significant time and resources, and has made progress in readying many real estate assets for sale, but the disposition of several large assets remains stalled due to the market jitters caused by tariff threats, the need to make additional capital improvements, and defensive, complex legal processes instituted by borrowers.

Finally, but of paramount importance, we continue to work to provide liquidity to unitholders. As mentioned, when trying to dispose of some of the larger real estate assets, we are often at the mercy of external forces moving to their own timelines. Existing liquidity uses must be balanced among redeeming unitholders, and funding commitments for both real estate assets and staged committed loans. The process of potentially instituting a "secondary" market transaction to provide unitholders with liquidity has commenced and we will keep you apprised of its progress.

Based on your input, and as part of our commitment to transparency, we have created terms of reference for an advisory committee to be composed of members who are independent from the Fund and the Manager. We hope to have an announcement on the composition of this committee shortly, and its activities should begin in the second half of 2025.

We are committed to keeping you informed as we undertake our mission to bolster the Fund's performance and address unitholder liquidity needs and believe your patience and support will be rewarded.

Sheldon Esbin, Arthur Resnick, Wesley Roitman, Mark Hilson

Trustees of the Fund
May 6, 2025

Drift Hotel Palm Springs - California USA

Management's Discussion & Analysis

Responsibility of Management

This Management's Discussion and Analysis ("MD&A") for Romspen Mortgage Investment Fund (the "Fund") should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2024, included herein and the audited financial statements and MD&A for the year ended December 31, 2023. Investment in the Fund is subject to certain risks and uncertainties described in the Fund's Offering Memorandum, which should be read in conjunction with this MD&A. These documents are available on the Fund's website at: www.romspen.com.

Management is responsible for the information disclosed in this MD&A. The Fund has in place appropriate procedures, systems and controls to ensure such information is materially complete and reliable. In addition, the Fund's trustees have reviewed and approved the MD&A and the financial statements for the year ended December 31, 2024.

This MD&A contains certain forward-looking statements and non-IFRS financial measures; see "Forward-Looking Statements" and "Non-IFRS Financial Measures".

Forward-Looking Statements

From time to time, the Fund makes written and verbal forward-looking statements. These are included in its quarterly and annual MD&A, Fund presentations and other Fund communications.

Forward-looking statements include, but are not limited to, business objectives and targets, strategies, operations, anticipated financial results, and the outlook for the Fund, its industry and the Canadian economy. These statements regarding future performance are "financial outlooks" within the meaning of National Instrument 52-102. Forward-looking statements are typically identified by words such as "believe", "expect", "anticipate", "estimate", "plan", "may" and "could" or other similar expressions. By their very nature, these statements require management to make assumptions and are subject to inherent risks and uncertainties, general and specific, which may cause actual results to differ materially from theexpectations expressed in the forward-looking statements. These risks and uncertainties include, but are not limited to, global capital markets activity, changes in government monetary and economic policies, changes in interest rates, changes in foreign exchange rates, inflation levels and general economic conditions, legislative and regulatory developments, disruptions resulting from the outbreak of pandemics, competition and technological change.

The preceding list of possible factors is not exhaustive. These and other factors should be considered carefully, and readers are cautioned not to place undue reliance on these forward-looking statements. The Fund does not undertake to update any forwardlooking statements, whether written or verbal, that may be made from time to time by it or on its behalf except as required by securities laws.

Non-IFRS Financial Measures

This MD&A contains certain non-IFRS financial measures. A non-IFRS financial measure is defined as a numerical measure of the Fund's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with IFRS in the financial statements or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. Non-IFRS financial measures disclosed herein are meant to provide additional information and insight regarding the historical operating results and financial position of the Fund. These measures are not in accordance with, or a substitute for, IFRS and may be different from, or inconsistent with, non-IFRS financial measures used by others.

Introduction

The Fund is an unincorporated closed-end investment trust established under the laws of the Province of Ontario pursuant to a trust indenture dated May 20, 2005. The Fund is a non-bank lender providing and investing primarily in short-term and medium-term commercial mortgages. The Fund is the sole limited partner in Romspen Mortgage Limited Partnership (the "Partnership") and conducts its lending activities primarily through the Partnership. The objective of the Fund is to provide stable and secure cash distributions of income while preserving equity.

Romspen Investment Corporation ("Romspen") is the Fund Manager and acts as the primary loan originator, underwriter and syndicator for the Partnership. Romspen also acts as administrator of the Fund's affairs. Romspen and its principals, through predecessor companies, have been in the business of mortgage origination, servicing and syndication since 1966.

The Fund commenced operations on January 16, 2006, and raised $158.9 million pursuant to the Exchange Offering, whereby Romspen's investors exchanged their syndicated mortgage interests for units of the Fund, and $15.3 million pursuant to the Unit Offering described in its Offering Memorandum dated March 15, 2005.

On June 22, 2007, federal legislation came into force that altered the tax regime for specified investment flow-through trusts or partnerships ("SIFT") (the "SIFT Rules"). Under the SIFT Rules, certain distributions from a SIFT are no longer deductible in computing a SIFT's taxable income and a SIFT is subject to tax on such distributions at a rate that is substantially equivalent to the general corporate tax rate. Distributions paid by a SIFT as returns of capital are not subject to the tax. As its units are not listed on a stock exchange or other public market, the Fund is not subject to the SIFT tax regime.

The Offering Memorandum, financial statements and additional information on the Fund are available and updated regularly on the Fund's website at: www.romspen.com. Unitholders who would like further information may also contact the Investor Relations department of the Fund at: 416-966-1100.

Portfolio

As of December 31, 2024, the Fund's mortgage and investment portfolio (the "Portfolio"), net of fair value provisions, was $2.5 billion, compared to $2.7 billion a year ago. The Portfolio included 99 mortgages and investments, compared to 129 at the same time last year.

Approximately 98% of the Portfolio was invested in first mortgages at December 31, 2024 (2023 - 96%). The weighted average interest rate of the mortgage loans in the Portfolio was 9.2% compared to 9.0% a year ago. The weighted average interest rate on performing loans was 12.3% (2023 - 11.5%).

The Portfolio continues to consist mainly of short-term mortgages to third parties and mortgages to the Fund's subsidiaries. Approximately 96% of the Portfolio's investments mature within one year (2023 - 97%) and 100% mature within two years (2023 -100%). In addition, all our mortgages are open for repayment prior to maturity. The short-term nature of the Fund's portfolio permits opportunities to continually evolve in response to changes in the real estate and credit markets. The Fund Manager believes this flexibility is far more important in our market niche than securing long-term fixed interest rates.

As of December 31, 2024, approximately 24% of the Fund's investments were in Ontario (2023 - 23%). Approximately 17% of the Portfolio was invested in Western Canada (2023 – 17%), 4% in other provinces (2023 – 4%) and 55% in the US (2023 – 56%). The Fund Manager believes this broad level of North American diversification brings greater stability to the Fund's performance by reducing dependency on the economic activity and cycles in any given geographic region.

Total fair value provisions as of December 31, 2024, were $345.8 million, of which $140.6 million was provided against the Accrued Interest Receivables. The remaining fair value provisions of $205.1 million represent 10.1% of the original cost of the Fund's investment in mortgages and subsidiaries. Total fair value provisions represent $1.21 per unit outstanding as at December 31, 2024. During 2024, the Fund realized $68.3 million of losses in the Portfolio. The establishment of the fair value provision is based on facts and interpretation of circumstances relating to the Fund's portfolio. Thus, it is a complex and dynamic process influenced by many factors. The provision relies on the judgment and opinions of individuals regarding historical trends, prevailing legal, economic and regulatory trends, and expectations of future developments. The process of determining the provision involves a risk that the actual outcome will deviate, perhaps substantially, from the best estimates made. The fair value provision will continue to be reviewed by the Fund Manager and the Fund's Trustees on a regular basis and, if appropriate, will be adjusted.

Financial Presentation

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

Non-IFRS financial information

Combined Balance Sheet

December 31, 2024, with comparative information for 2023

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

(In thousands of dollars, unless otherwise noted)		2024		2023
Assets				
Cash and cash equivalents	$	**161,517**	$	25,298
Accrued interest receivable		**173,193**		138,460
Mortgage investments		**1,398,249**		1,669,274
Investment in subsidiaries		**436,359**		443,093
Investment in TIG Romspen US Master Mortgage LP		**688,135**		584,209
Foreign exchange forward contracts		**-**		10,251
Other assets		**38,459**		35,840
	$	**2,895,912**	$	2,906,425
Liabilities and Unitholder's Equity				
Revolving loan facility	$	**-**	$	153,300
Term credit facility		**215,391**		-
Mortgage investment syndications		**-**		85,003
Accounts payable and accured liabilties		**6,119**		5,548
Foreign exchange forward contracts		**61,782**		-
Distributions payable		**5,770**		5,692
		289,062		249,543
Units submitted for redemption		**670,572**		509,907
Unitholder's equity		**1,936,278**		2,146,975
	$	**2,895,912**	$	2,906,425

Management's Discussion & Analysis (Continued)

Non-IFRS financial information

Combined Statements of Earnings

Year ended December 31, 2024, with comparative information for 2023

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

(In thousands of dollars, except per unit amounts, unless otherwise noted)		2024		2023
Revenue				
Mortgage interest and income from subsidiaries	$	**132,941**	$	141,276
Income from Investment in TIG Romspen US Master Mortagage LP		**40,545**		43,525
Interest income from loan to TIG Romspen US Master Mortgage LP		**6,966**		624
Other		**6,310**		1,157
Gain (Loss) on foreign exchange		**32,399**		(15,126)
		219,161		171,456
Expenses				
Management fees		**21,770**		23,034
Financing costs		**30,336**		21,003
Change in fair value of accrued interest receivable, mortgage investments and investment in subsidaries		**92,773**		125,582
Realized loss on mortgage investments		**68,333**		4,915
Other losses (gains)		**42**		(553)
Audit fees		**878**		564
Legal Fees		**255**		281
Other		**2,692**		3,505
		217,079		178,331
Net earnings (loss)	$	**2,082**	$	(6,875)
Net earnings (loss) per unit	$	**0.01**	$	(0.02)

Non-IFRS financial information

Combined Statement of Changes in Unitholders' Equity

Year ended December 31, 2024, with comparative information for 2023

Below is the combined statement of changes in unitholders' equity of the Fund and its wholly owned subsidiary, Romspen Mortgage Limited Partnership:

(In thousands of dollars, except per unit amounts, unless otherwise noted)		2024		2023
Unit capital				
Balance, beginning of year	$	**2,334,363**	$	2,587,305
Issuance of units		**16,101**		28,403
Increase in units submitted for redemption		**(160,665)**		(281,345)
Balance, end of year	$	**2,189,799**	$	2,334,363
Cumulative earnings				
Balance, beginning of year	$	**1,661,940**	$	1,668,815
Net earnings (loss)		**2,082**		(6,875)
Balance, end of year	$	**1,664,022**	$	1,661,940
Cumulative distributions to unitholders				
Balance, beginning of year	$	**(1,849,328)**	$	(1,753,450)
Distributions to unitholders		**(68,215)**		(95,878)
Balance, end of year	$	**(1,917,543)**	$	(1,849,328)
Unitholders' equity	$	**1,936,278**	$	2,146,975
Units issued and outstanding, excluding units submitted for redemption		**211,549,309**		228,879,648

Non-IFRS financial information

Combined Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

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

(In thousands of dollars, unless otherwise noted)		2024		2023
Cash provided by (used in):				
Operations				
Net earnings (loss)	$	**2,082**	$	(6,875)
Receipt of interest capitalized on discharge of mortgage investments		**11,369**		-
Items not affecting cash:				
Amortization of revolving loan facility financing cost		**3,203**		515
Change in fair value of accrued interest receivable, mortgage investments, and investment in subsidiaries		**92,773**		125,582
Income from investment in TIG Romspen US Master Mortgage LP		**(2,651)**		448
Realized loss on mortgage investments and investment in subsidiaries		**68,333**		4,915
Unrealized gain on foreign exchange		**(34,965)**		(39,100)
Amortization of discount		**-**		(213)
Other (gains) losses		**42**		(553)
Interest capitalized to mortgage investments		**(7,350)**		(24,783)
Change in non-cash operating items:				
Accrued interest receivable		**(74,865)**		(25,991)
Other assets		**1,147**		76
Accounts payable and accrued liabilities		**(323)**		(687)
		58,795		33,334
Funding of mortgage investments		**(201,090)**		(311,151)
Discharge of mortgage investments		**403,347**		401,663
Net discharge of investment in subsidiaries		**2,129**		19,156
Net funding of investment and loan to TIG Romspen US Master Mortgage LP		**(48,765)**		(28,346)
		214,416		114,656
Financing				
Proceeds from issuance of units		**174**		712
Distributions paid to unitholders		**(52,210)**		(73,907)
Change in revolving loan facility		**(153,300)**		(102,727)
Change in term credit facility		**221,720**		-
Financing costs paid		**(9,578)**		(1,025)
Mortgage Investment Syndications		**(85,003)**		85,003
		(78,197)		(91,944)
Increase in cash		**136,219**		22,712
Cash, beginning of year		**25,298**		2,586
Cash, end of year	$	**161,517**	$	25,298

Quarterly Financial Information 2024

Detailed financial information by quarter for 2024 is outlined in the table below:

(In millions of dollars, except per unit amounts)

	Dec. 31	Sept. 30	June. 30	Mar. 31
Total revenue excluding foreign exchange gain (loss)	$ 74.1	$ 34.5	$ 40.2	$ 38.0
Foreign exchange gain (loss)	29.6	(9.8)	2.3	10.3
Interest expense and deferred financing costs	7.4	9.3	8.0	5.6
Net interest income	96.3	15.4	34.5	42.7
Management fees and other expenses	6.2	6.5	6.5	6.4
Fair value provision on investment portfolio and losses	82.7	9.9	0.2	0.0
Realized losses on investment portfolio	55.0	1.9	10.8	0.7
Other (gains) losses	(0.4)	(0.1)	0.6	(0.1)
Net (loss) earnings	(47.2)	(2.8)	16.4	35.7
Per Unit - net (loss) earnings	$ (0.17)	$ (0.01)	$ 0.06	$ 0.13
- distributions	$ 0.06	$ 0.06	$ 0.06	$ 0.06
Trailing 12-month compounded return (loss)[1]	0.0%	-1.1%	0.2%	0.4%
Debt net of cash as a percentage of net mortgages[1]	2.4%	4.1%	5.3%	5.1%

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

Management's Discussion & Analysis (Continued)

Investment in Subsidiaries

The controlled subsidiaries acquire control of properties in order to complete development and dispose of the property with the goal of maximizing return to investors, which may involve, but not specifically require, the advancement of additional funds. These subsidiaries are not consolidated by the Fund and are summarized as follows:

(In thousands of dollars)

Name	Ownership	Description	Location	Dec. 31, 2024
Guild	100%	Office complex	CA	$ 27,303
Aspen Lakes	100%	Residential development	CA	2,916
Almonte	50%	Retail plaza	CA	6.026
Liberty Ridge	100%	Residential subdivision	CA	68,808
Planetwide	100%	Land for residential development	CA	4,808
Royal Oaks	100%	Residential subdivision	CA	17,108
Haldimand	100%	Landfill	CA	30,194
High Street	100%	Commercial/residential	CA	19,046
Egreen	100%	Land for Industrial development	CA	3,917
Carolina Golf	100%	Golf courses	US	12,229
LE Ranch	100%	Residential	US	19,019
Big Nob	100%	Land for residential development	CA	3,372
Midland	100%	Land for residential development	CA	5,527
Langford Lake	100%	Land for residential development	CA	46,636
Ponderosa	80%	Land for residential development	CA	33,074
Drought	100%	Land for residential development	CA	11,676
Northern Premier	100%	Land for Industrial development	CA	10,333
Southpoint Landing	100%	Residential	CA	1,472
RIC Hampton Inc.	100%	Commercial	CA	8,920
Environmaster	100%	Environment and recycling	CA	23,993
Kawartha Downs	100%	Leisure and entertainment	CA	30,275
Nisku	100%	Industrial predevelopment	CA	19,075
St Catherine	100%	Vacant land	CA	21,927
St Joseph Blvd	100%	Condo development	CA	35,721
				$ 463,375
		Fair value adjustment		(27,016)
				$ 436,359

Controlled subsidiaries that are owned by the general partner of the Partnership are classified as related party mortgage investments. Similar to investments in subsidiaries, these related party subsidiaries acquire control of properties in order to complete development and dispose of the property with the goal of maximising the return to investors, which may involve, but not specifically require, the advancement of additional funds from the Fund. As of December 31, 2024, there are fifteen (2023 – sixteen) mortgage investments to related party subsidiaries with a fair value of $393,951 (2023 – 538,175). Further details regarding related party mortgage investments can be found in Note 8 of the financial statements.

Income Statement Highlights

Total revenues for the year ended December 31, 2024, were $219.2 million compared to $171.5 million in the previous year. For the year ended December 31, 2024, the Partnership recognized $36,033 (2023 - $5,547) of interest income that was previously deemed uncollectible.

Net income for the year was $2.1 million compared to $6.9 million net loss for the prior year. The basic weighted average earnings per unit for the year were $0.01 per unit compared to -$0.02 basic weighted average loss per unit last year.

For the year ended December 31, 2024, the Fund declared distributions of $68.2 million or $0.24 per unit compared to $95.9 million or $0.34 per unit last year. The simple and compounded net returns to unitholders for the year ended December 31, 2024, was 0.1% and 0% respectively.

Fair value adjustments on the Portfolio increased expenses by $92.8 million during the year, while realized losses were $68.3 million compared to $4.9 million in the prior year.

Management and other fees payable to the Fund Manager and other general and administrative expenses of the Fund were $25.6 million for the year ended December 31, 2024, compared to $27.4 million in the prior year. These expenses were marginally lower than the previous year, predominately due to smaller portfolio size.

Total revenues for the quarter ended December 31 2024, was $103.7 million compared to $36.9 million in the fourth quarter of 2023. For the quarter ended December 31, 2024, the Partnership recognized $36,033 (2023 - $5,547) of interest income that was previously deemed uncollectible.

Net loss after all expenses for the fourth quarter was $47.1 million compared to net loss of $79.1 million for the quarter ended December 31, 2023. Basic weighted average loss per unit for the three months ended December 31, 2024, was -$0.17 compared to - $0.28 in the prior year.

Management fees payable to the Fund Manager and other general and administrative expenses of the Fund were $6.1 million for the quarter, compared to $6.7 million in the fourth quarter of 2023.

For the three-month period ended December 31, 2024, the Fund distributed $17.1 million or $0.06 per unit, compared to $17.0 million or $0.06 per unit for the three months ended December 31, 2023.

Balance Sheet Highlights

Total assets as of December 31, 2024, were $2.9 billion, same as last year. In accordance with IFRS, mortgages that are provided to owned subsidiary companies holding foreclosed properties have been reclassified from mortgage investments to investment in subsidiaries. Total assets are comprised primarily of mortgages recorded at fair market value, investment in subsidiaries and accrued interest receivable. In addition, the Fund had $161.5 million of cash at year-end.

Total liabilities excluding units submitted for redemption as of December 31, 2024, were $289.1 million compared to $249.5 million a year earlier. Liabilities at the end of the year were comprised mainly of $215.4 million term credit facility and $61.8 million in unrealized loss on foreign exchange forward contracts. Borrowings from the term credit facility, together with loan repayments, are used to f und additions to the Portfolio. Net debt (term credit facility less unrestricted cash) was $60.2 million (2.4% of the net book value of the Portfolio) compared to $128.0 million net revolver (5% of the net portfolio) a year ago.

Unitholders' equity plus units submitted for redemption as at December 31, 2024, totalled $2.6 billion, compared to $2.7 billion last year. There was a total of 285,003,255 units outstanding on December 31, 2024 compared to 283,293,999 on December 31, 2023. There are no options or other commitments to issue additional units.

Liquidity and Capital Resources

Pursuant to the trust indenture, 100% of the Fund's net taxable earnings are intended to be distributed to unitholders. This means that growth in the Portfolio can only be achieved by raising additional unitholder equity and utilizing available borrowing capacity. Pursuant to the Fund's investment policies, the Fund may borrow up to 35% of the book value of mortgages held by the Fund. As of December 31, 2024, borrowings totaled approximately 9% of the book value of investments held by the Fund, compared to 6% as at December 31, 2023.

During the year ended December 31, 2024, the Fund's proceeds of issuance of units, net of redemption of units, was $16.1 million, compared to $28.4 million in 2023. The Fund's mortgages are largely short-term in nature, with the result that continual repayment by borrowers of existing mortgages creates liquidity for new mortgage investments.

Related Party Transactions

Romspen acts as the mortgage manager for the Partnership and capital raising agent for the Fund. Certain of the trustees of the Fund are directors of Romspen. In return for its mortgage origination and capital raising services, Romspen receives a fee equal to 1% per annum, calculated daily and paid monthly, of the total of all mortgage investments plus the fair market value of any non-mortgage investments.

Romspen also has the right to receive all lender, broker, origination, commitment, renewal, extension, discharge, participation, and other administrative fees charged to borrowers.

In addition, the Partnership has granted to Romspen the option to purchase any mortgage investment held by the Partnership for a purchase price equal to the principal amount of such mortgage plus any accrued interest.

From time to time, the Partnership may invest in mortgage loans made to borrowers who are related to Romspen or the trustees of the Fund. The Partnership may also invest in mortgages that are syndicated among Romspen, the Fund's Trustees, or related parties. These related party transactions are further discussed in the notes to the accompanying financial statements.

Risk Management

The Fund is exposed to various risks related to its financial instruments in the normal course of business. The Fund Manager and Trustees have put in place various procedures and safeguards to mitigate these risks in order to ensure the preservation of capital as well as the achievement of acceptable and consistent rates of return.

Outlook

As the Trustees of the Fund note in their letter, the thaw in commercial real estate market transaction activity that seemed to be sprouting green shoots in late 2024 may have been stopped by the market uncertainty created by the global tariff imbroglio. This uncertainty could reduce real estate asset and credit transactions that would otherwise have enabled borrower refinancings and asset sales, thereby generating additional liquidity for the Fund.

The Fund had acceptable liquidity at year-end, and anticipates using such resources to provide required capital to real estate assets, make committed advances on staged construction and development loans, provide liquidity to unitholders when able, and selectively originate a moderate number of high-quality new loans.

Management has committed considerable resources, both in terms of capital and human resources, to executing its strategy of asset stabilizations and sales, improving unitholder distributions, and ameliorating the redemption backlog.

Financial Statements

Romspen Mortgage Investment Fund

And Independent Auditor's Report thereon

Year ended December 31, 2024

Kindred at Keystone Resort - Colorado USA

Independent Auditor’s Report

To Romspen Investment Corporation

Opinion

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

- the statement of financial position as at December 31, 2024
- the statement of net income (loss) and comprehensive income (loss) for the year then ended
- the statement of changes in net assets attributable to unitholders 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 material accounting policy information

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

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 **“Auditor’s Responsibilities for the Audit of the Financial Statements”** section of our auditor’s report.

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

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

Other Information

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

- the information, other than the financial statements and the auditor’s report thereon, included in a document likely to be entitled “2024 Annual Report”.

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

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

The information, other than the financial statements and the auditor’s report thereon, included in a document likely to be entitled “2024 Annual Report” is expected to be made available to us after the date of this auditor’s report. If, based on the work we will perform on this other information, we concluded that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management for the Financial Statements

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

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

Auditor’s 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 auditor’s report that includes our opinion.

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

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

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

We also:

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

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada
April 29, 2025

Statement of Financial Position

(In thousands of dollars, except per unit amounts, unless otherwise noted)
December 31, 2024, with comparative information for 2023

		2024		2023
Assets				
Cash	**$**	**128**	$	111
Investment in Romspen Mortagage Limted Partnership, at fair vaule through profit or loss (note 3)		**2,612,963**		2,663,234
	$	**2,613,091**	$	2,663,345
Liabilities and Net Assets Attributable to Unitholders				
Liabilities:				
Accounts payable and accured liabilties	**$**	**471**	$	771
Unitholders' distributions payable		**5,770**		5,692
		6,241		6,463
Net assets attributable to unitholders		**2,606,850**		2,656,882
	$	**2,613,091**	$	2,663,345
Net assets attributable to unitholders represented by:				
Fund unitholders (note 4)	**$**	**2,189,799**	$	2,334,363
Fund units submitted for redemption (note 4)		**554,841**		390,034
Run-Off Pool unitholders (note 4)		**115,731**		119,873
Cumulative earnings		**1,664,022**		1,661,940
Cumulative distributions		**(1,917,543)**		(1,849,328)
	$	**2,606,850**	$	2,656,882
Net asset value per Fund unit (note 5)	**$**	**9.15**	$	9.38
Net asset value per Run-Off Pool unit (note 5)		**9.02**		9.34

Commitments and contingent liabilities (note 9)

See accompanying notes to financial statements.

Approved by the Trustees:

"Wesley Roitman" Trustee
"Mark Hilson" Trustee

Statement of Net Income (Loss) and Comprehensive Income (Loss)

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Year ended December 31, 2024, with comparative information for 2023

		2024		2023
Income from investment in Rompsen Mortgage Limited Partnership:				
Distributions from Romspen Mortgage Limited Partnership	**$**	**61,415**	$	68,187
Change in net asesets of Romspen Mortgage Limited Partnership (note 3)		**(50,271)**		(65,435)
		11,144		2,752
Expenses:				
Management fees (note 8(a))		**7,184**		7,601
Audit fees		**778**		564
Legal fees and other		**1,100**		1,462
		9,062		9,627
Net income (loss) and comprehensive income (loss)	**$**	**2,082**	$	(6,875)
Net income (loss) and comprehensive income (loss) per Fund unit (note 5)	$	**0.01**	$	(0.02)
Net income (loss) and comprehensive income (loss) per Run-Off Pool unit (note 5)		**0.00**		(0.06)
Weighted average number of Fund units issued and outstanding (note 5)		**271,395,695**		269,406,814
Weighted average number of Run-Off Pool units issued and outstanding (note 5)		**12,834,502**		12,834,402

See accompanying notes to financial statements.

Statement of Changes in Net Assets Attributable to Unitholders

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Year ended December 31, 2024, with comparative information for 2023

		2024		2023
Fund unit capital:				
Balance, beginning of year	**$**	**2,334,363**	$	2,587,305
Issuance of units (note 4)		**16,101**		28,403
Increase in units submitted for redemption		**(160,665)**		(271,737)
Conversion to Run-Off Pool units (note 4(d))		**-**		(9,608)
Balance, end of year	**$**	**2,189,799**	$	2,334,363
Fund units submitted for redemption, end of year	**$**	**554,841**	$	390,034
Run-Off Pool unit captial:				
Balance, beginning of year	**$**	**119,873**	$	115,345
Conversion from units		**-**		9,608
Fair market value adjustment (note 4(i))		**(4,142)**		(5,080)
Balance, end of year	**$**	**115,731**	$	119,873
Cumulative earnings to all unitholders:				
Balance, beginning of year	**$**	**1,661,940**	$	1,668,815
Net income (loss) and comprehensive income (loss)		**2,082**		(6,875)
Balance, end of year	**$**	**1,664,022**	$	1,661,940
Cumulative distributions to all unitholders:				
Balance, beginning of year	**$**	**(1,849,328)**	$	(1,753,450)
Distributions to unitholders (note 6)[1]		**(68,215)**		(95,878)
Balance, end of year	**$**	**(1,917,543)**	$	(1,849,328)
Net assets attributable to unitholders	**$**	**2,606,850**	$	2,656,882
Units issued and outstanding:				
Fund units		**211,549,309**		228,879,648
Fund units submitted for redemption		**60,619,444**		41,579,849
Run-Off Pool units		**12,834,502**		12,834,502
Total units issued and outstanding		**285,003,255**		283,293,999

[1]Included in total distributions is amount for Run-Off Pool unitholders of $3,080 (2023- $4,363).

See accompanying notes to financial statements.

Statement of Cash Flows

(In thousands of dollars)
Year ended December 31, 2024, with comparative information for 2023

		2024		2023
Cash provided by (used in):				
Operations				
Net income (loss) and comprehensive income (loss)	**$**	**2,082**	$	(6,875)
Item not affecting cash:				
Change in net assets of				
Romspen Mortgage Limited Partnership (note 3)		**50,271**		65,435
Change in non-cash operating items:				
Accounts payable and accured liabilities		**(300)**		9
		52,053		58,569
Financing				
Proceeds from issuance of funds units (note 4)		**174**		712
Distributions paid to unitholders (note 6)		**(52,210)**		(73,907)
		(52,036)		(73,195)
Investments				
Net redemption of investment in				
Romspen Mortgage Limited Partnership (note 3)		**-**		14,437
Increase (decrease) in cash		**17**		(189)
Cash, beginning of year		**111**		300
Cash, end of year	**$**	**128**	$	111

See accompanying notes to financial statements.

Notes to Financial Statements

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Year ended December 31, 2024

Romspen Mortgage Investment Fund (the "Fund") is an unincorporated closed-end investment trust established under the laws of the Province of Ontario, pursuant to a trust indenture dated as at May 20, 2005. The Fund is the sole limited partner in the Romspen Mortgage Limited Partnership (the "Partnership") and conducts its lending activities primarily through the Partnership. The Partnership's investments include mortgage investments, investment in subsidiaries and investment in TIG Romspen US Master Mortgage LP ("USMLP"). The objective of the Fund is to provide stable and secure cash distributions of income, while preserving net assets attributable to unitholders. The Fund's registered office is 162 Cumberland Street, Suite 300, Toronto, ON, M5R 3N5.

As of December 31, 2024, the Partnership indirectly owns 78.14% (2023 - 76.77%) of USMLP. Romspen Investment Corporation ("Romspen") is the Fund's mortgage manager and acts as the primary loan originator, underwriter and syndicator for the Partnership.

The Fund commenced operations on January 16, 2006.

These financial statements and accompanying notes have been authorized for issue by the trustees of the Fund (the "Trustees") on April 29, 2025.

1. Basis of presentation:

These financial statements have been prepared in accordance with IFRS Accounting Standards.

The financial statements are measured and presented in Canadian dollars ("CAD"); amounts are rounded to the nearest thousand, unless otherwise stated. The financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss ("FVTPL") which are presented at fair value.

The Fund accounts for its investment in the Partnership at FVTPL. The results of operations and the financial position of the Partnership is disclosed separately in supplemental information.

2. Material accounting policies:

a) Use of estimates:

In preparing these financial statements management has made judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about assumptions and estimation uncertainties at December 31, 2024 that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities is disclosed separately in supplemental information.

b) Judgment:

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

c) Net (loss) income and comprehensive (loss) income per unit:

Net income (loss) and comprehensive income (loss) per unit are computed by dividing net income and comprehensive income for the year earned by unit types described in note 5 by the respective weighted average number of units issued and outstanding during the year.

d) Prepaid unit capital:

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

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Year ended December 31, 2024

2. Material accounting policies (continued):

e) Units:

Under IAS 32, Financial Instruments - Presentation ("IAS 32"), puttable instruments, such as the units, are generally classified as financial liabilities unless the exemption criteria are met for equity classification. In 2021, the fund units met the exemption criteria under IAS 32 for equity classification.

In 2022, the Fund introduced Run-off Pool units described in note 4(d), which results in the Fund not meeting the exemption criteria under IAS 32. Therefore, all classes of fund units are classified as financial liabilities and presented as net assets attributable to unitholders. This presentation does not alter the underlying economic interest of the unitholders in the net assets and net operating results attributable to unitholders.

f) Financial assets and financial liabilities:

Financial assets and financial liabilities at FVTPL are initially measured at fair value, with transaction costs recognized in profit or loss. Financial assets and financial liabilities not at FVTPL are initially measured at fair value plus transaction costs that are directly attributable to their acquisition or issue. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership are transferred or in which the Partnership neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. A liability is derecognized when its contractual obligations are discharged, cancelled, or expired.

Financial assets and liabilities	Classification
Cash	Amortized cost
Investment in the Romspen Mortgage Limited Partnership	FVTPL
Accounts payable and accured liabilities	Amortized cost
Unitholders' distribution payable	Amortized cost

3. Fund's investment in Partnership at FVTPL:

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

Schedule of the Fund's investment in the Partnership:

	2024	2023
Investment balance, beginning of year	**$ 2,663,234**	$ 2,743,106
Net redemption of investment in the Partnership	**-**	(14,437)
Change in net assets of the Partnership	**(50,271)**	(65,435)
Investment balance, end of year	**$ 2,612,963**	$ 2,663,234

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Year ended December 31, 2024

4. Net assets attributable to unitholders:

I) The following table represents total units (Fund units and Run-Off Pool units) that are issued and outstanding:

	2024			2023		
	Units		**Amount**	Units		Amount
Balance, beginning of year	**283,293,999**	**$**	**2,844,270**	280,363,913	$	2,815,867
New fund units issued	**34,498**		**174**	74,151		712
New fund units issued under distribution reinvestment plan	**1,674,758**		**15,927**	2,855,935		27,691
Net issuance of Fund units	**1,709,256**		**16,101**	2,930,086		28,403
Balance, end of year	**285,003,255**	**$**	**2,860,371**	283,293,999	$	2,844,270

Total units of 285,003,255 include 60,619,444 Fund units submitted for redemption and 12,834,502 Run-off Pool units as reconciled below:

	2024			2023		
	Units		**Amount**	Units		Amount
Balance, beginning of year	**41,579,849**	**$**	**390,034**	11,614,581	$	113,217
Net increase in units submitted for redemption	**19,039,595**		**164,807**	29,965,268		276,817
Balance in units submitted for redemption, end of year	**60,619,444**		**554,841**	41,579,849		390,034
Balance in Run-Off Pool units, beginning of year	**12,834,502**		**119,873**	11,847,576		115,345
Transfer to Run-Off Pool units	**-**		**-**	986,926		9,608
Decrease in fair value allocated to Run-Off pool	**-**		**(4,142)**	-		(5,080)
Balance in Run-Off Pool units, end of year	**12,834,502**	**$**	**115,731**	12,834,502	$	119,873

During the normal course of business, the Fund receives unit issuance and redemption requests from the investors. In the year ended December 31, 2024, the Fund received requests for redemption of 19,039,595 units (2023 - 29,965,268) and redeemed nil units, in accordance with its policies.

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

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Year ended December 31, 2024

4. Net assets attributable to unitholders (continued):

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

The beneficial interests in the Fund are represented by the Fund's regular class of units, which are unlimited in number ("Fund units"), and Run-off Pool units described in note 4(d). Each Fund unit carries a single vote at any meeting of unitholders and carries the right to participate pro-rata in any distributions. Unitholders have a limited right to redeem their units, on a monthly basis, upon a minimum of 30 days' notice. Partial or complete redemption of units is limited on a monthly basis to 1% of the aggregate fair market value of units outstanding on the valuation date immediately preceding the said redemption date. Redemption notices on any given redemption date shall maintain their order of priority until the unit redemption price for such units has been paid in full.

The Trustees have the right in their absolute and unfettered discretion to extend the time for payment of the unitholder redemption price for tendered units if such payment would be materially prejudicial to the interests of the remaining unitholders in the Fund. On November 8, 2022, the Trustees exercised this discretion and extended the payment of unit redemption prices. On December 31, 2024, the payment of unit redemption prices remains extended.

In the extraordinary circumstance where the number of units properly tendered for redemption ("Tendered Units") by unitholders ("Tendering Unitholders") on any given redemption date exceeds 3% of the total number of units outstanding on such redemption date, the Trustees are entitled in their sole discretion to modify or suspend unitholder redemption rights. Specifically, if the extraordinary circumstance referenced above occurs, the Trustees are entitled, in their sole discretion, to implement one of the following measures:

a) Discounted redemption:
The Trustees shall give notice to Tendering Unitholders that their Tendered Units shall be redeemed on the next redemption date at a redemption price discounted by a discount factor to be determined by the Trustees in their sole discretion, acting reasonably. In determining the discount factor, the Trustees may consider such factors as market prices for similar investments that are traded on a stock exchange in Canada, the variation inherent in any estimates used in the calculation of the fair market value of the Tendered Units to be redeemed, the liquidity reasonably available to the Fund and general economic conditions in Canada. Unitholders may choose to retract their redemption request upon receiving notice from the Trustees of a discounted redemption; however, unitholders who retract will be prohibited from redeeming the Tendered Units to which their retraction applies for a period of up to 12 months following the date the discounted redemptions are processed.

b) Temporary suspension of redemptions:
The Trustees shall give notice to all unitholders that normal course redemption rights are suspended for a period of up to six months. Issuance of a suspension notice by Trustees will have the effect of cancelling all pending redemption requests. At the end of the suspension period, the Trustees may call a special meeting of unitholders to approve an extension of the suspension period, failing which normal course redemptions will resume.

c) Units submitted for redemption:
As of December 31, 2024, unitholders representing approximately 60,619,444 (2023 - 41,579,849) units have requested redemptions of their units, the redemption of which is subject to the above restrictions. These units, however, continue to have the same rights and no priority over the remaining units. Units submitted for redemption are redeemed at NAV.

On December 31, 2024, the unit redemptions remain suspended.

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Year ended December 31, 2024

4. Net assets attributable to unitholders (continued):

d) Run-Off Pool redemption:
On September 26, 2022, the Trustees, pursuant to Section 5.25(h)(ii) of the Fund's declaration of trust, elected to redeem units tendered for redemption by way of an in-kind distribution of a special class of units ("Run-Off Pool Units"), and provided notice to tendering unitholders that all or some their tendered units would, subject to confirmation by the unitholder, be so redeemed. The Run-Off Pool Units represent a proportionate share of each asset and liability from which the Fund's net asset value is derived. As the assets attributable to the Run-Off Pool Units are converted to cash (e.g. from mortgage loan repayments, mortgage loan sales, or other proceeds of realization from underlying mortgage collateral), such proceeds, net of attributable liabilities and net of reasonable reserves, to the extent they are made available to the Fund, will be paid to holders of Run-Off Pool Units as a redemption of Run-Off Pool Units, on a quarterly basis. Assets attributable to the Run-Off Pool Units may periodically be purchased for the benefit of the main Fund at fair market value to the extent surplus capital is available. Holders of Run-Off Pool Units will be entitled to distributions of interest and any other income generated by the assets attributable to the Run-Off Pool Units in the same manner as unitholders are entitled to such distributions generated on the balance of the Fund's assets. Additionally, if the net asset value of the Run-Off Pool Units in the aggregate is determined to be less than $100 million, the Trustees have the right to redeem all outstanding Run-Off Pool Units in cash, at a redemption discount of up to 12% of the net asset value of the Run-Off Pool Units.

On January 1, 2023, the Trustees, pursuant to section 3.3 of the Fund's declaration of trust, authorized the decision to permit the participation, reduction, and withdrawal of certain unitholder's units in the Run-Off Pool. As a result, a net total of 986,926 units in the amount of $9,608 were redeemed by way of an in-kind distribution of Run-Off Pool Units based on the December 31, 2022 NAV. These units are amalgamated and will be treated in the same manner as the Run-Off Pool Units from September 26, 2022.

5. NAV per unit and net income (loss) and comprehensive income (loss) per unit:

As at December 31, 2024, NAV per Fund unit is calculated as total assets less total liabilities, including units submitted for redemption, allocable to outstanding Fund units of 272,168,753 (2023 - 270,459,497). NAV per Run-off Pool unit is calculated total assets less total liabilities, allocable to outstanding Run-off Pool units of 12,834,502 (2023 - 12,834,502).

Net income (loss) and comprehensive income (loss) per Fund unit have been computed using the weighted average number of Fund units issued and outstanding of 271,395,695 (2023 - 269,406,814).

Net income (loss) and comprehensive income (loss) per Run-Off Pool unit have been computed using the weighted average number of Run-Off Pool units issued and outstanding of 12,834,502 (2023 - 12,834,402).

6. Distributions:

The Fund makes distributions to the unitholders (Fund units and Run- off Pool units) monthly on or about the 15th day of each month. The Fund's trust indenture indicates that the Fund intends to distribute 100% of the net earnings of the Fund, determined in accordance with the Income Tax Act (Canada), to the unitholders. For the year ended December 31, 2024, the Fund declared distributions of $0.24 (2023 - $0.34) per unit and a total of $68,215 (2023 - $95,878) was distributed to all the unitholders.

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Year ended December 31, 2024

7. Income taxes:

The Fund is taxed as a mutual fund trust for income tax purposes. Pursuant to the trust indenture, the Fund intends to distribute 100% of its income for income tax purposes each year to such an extent that it will not be liable for income tax under the Income Tax Act (Canada). Therefore, no provision for income taxes is required on earnings of the Fund.

On June 22, 2007, legislation relating to the federal income taxation of a specified investment flow-through trust or partnership ("SIFT") received royal assent (the "SIFT Rules").

Under the SIFT Rules, certain distributions from a SIFT will no longer be deductible in computing a SIFT's taxable income and a SIFT will be subject to income taxes on such distributions at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation. Distributions paid by a SIFT as returns of capital will not be subject to income taxes.

The Fund is not subject to the SIFT tax regime as its units are not listed or traded on a stock exchange or other public market. Accordingly, the Fund has not recorded a provision for income taxes or future income tax assets or liabilities in respect of the SIFT Rules.

8. Related party transactions and balances:

Transactions with related parties are in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties and which represents fair market value.

Other than the transactions disclosed elsewhere in these financial statements, the Fund and the Partnership had the following significant related party transactions:

a) Two of the Trustees of the Fund are indirect owners of Romspen. Under the Mortgage Origination and Capital Raising Agreement, Romspen provides capital raising services to the Fund. Romspen receives fees totalling 0.33% per annum, calculated daily and payable monthly, of the principal balance of all mortgage investments and the fair market value of all other non-mortgage investments of the Partnership. For the year ended December 31, 2024, the total amount was $7,184 (2023 - $7,601).

b) Under the Mortgage Origination and Capital Raising Agreement, Romspen provides mortgage origination services to the Partnership. Romspen receives fees totalling 0.67% per annum, calculated daily and payable monthly, of the principal balance of all mortgage investments and the fair market value of all other non-mortgage investments of the Partnership. For the year ended December 31, 2024, this amount was $14,586 (2023 - $15,433).

c) Under the Mortgage Origination and Capital Raising Agreement, Romspen provides mortgage origination services to USMLP. Romspen receives fees totalling 1% per annum, calculated daily and payable monthly, of the principal balance of all mortgage investments and the fair market value of all other non-mortgage investments of USMLP. For the year ended December 31, 2024, this amount was $7,958 (2023 - $7,719).

d) Romspen and related entities also receive certain fees directly from the borrower, generated from the Partnership's mortgage investments as follows: all lender, broker, origination, commitment, renewal, extension, discharge, participation, insufficient funds and administration fees generated on the mortgages. For the year ended December 31, 2024, this amount was $17,166 (2023 - $14,960).

e) Employees and directors of Romspen, along with related parties, are permitted to invest in the Fund and Partnership's investments The Partnership's mortgages may be syndicated with other investors, which may include Romspen, members of management of Romspen and officers or Trustees of the Fund. The Partnership will rank equally with, or in priority to, such other investors or participants as to receipt of principal and income. In certain mortgage enforcements, subsidiaries of the Partnership take ownership of real properties, and such subsidiaries then enter into co-ownership arrangements with third parties and may also include Romspen and its affiliates and indirect owners, and Trustees of the Fund or entities owned by them.

f) As at December 31, 2024, the Partnership had one (2023 - one) mortgage investment outstanding with an original cost of $61,831 (2023 - $41,465), including accrued interest of $22,924 (2023 - $3,907) and fair value of $61,831 (2023 - $41,465) due from mortgagors and investments in which members of management of Romspen own non-controlling equity interests. The interest rate for this mortgage investment is 12.0% (2023 - 12.0%).

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Year ended December 31, 2024

8. Related party transactions and balances (continued):

g) Included in the Fund and the Partnership's accounts payable and accrued liabilities is an amount of $71 payable to Romspen (2023 - $96).

h) As at December 31, 2024, the Partnership has fifteen (2023 - sixteen) mortgage investments with entities that are owned by a subsidiary of Romspen ("Romspen Subsidiary") following the completion of the enforcement foreclosure on behalf of the Partnership. The weighted average rate for these mortgages is 5.7% (2023 - 4.4%).

During the year December 31, 2024, Romspen Subsidiary foreclosed and assumed two mortgages (2023 - three) on behalf of the Partnership at a fair value of $44,686 (2023 - $29,594), which equaled the carrying value.

As at December 31, 2024, the cost of the mortgage investments with Romspen Subsidiary is $601,892 (2023 - $638,985), and the fair value is $393,951 (2023 - $538,175). For the year ended December 31, 2024, the Partnership recognized interest income of $3,264 (2023 - $28,023) from these investments.

9. Commitments and contingent liabilities:

In the event that management agreements are terminated, the various management agreements between the Fund, the Partnership and Romspen contain provisions for the payment of termination fees of an amount equal to 2% of the fair market value of the Partnership's assets under management on the date on which the termination notice is received, in addition to any other amounts owing by the Partnership or the Fund. These amounts will be satisfied by the payment of cash, interests in mortgages or in such combination thereof as determined by the mortgage manager. These agreements continue in force until terminated in accordance with their provisions.

10. Fair values of financial instruments:

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

- Level 1 - quoted (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The fair value of the investment in the Partnership is the amount of net assets attributable to unitholders of the Partnership. The Fund routinely redeems and issues the redeemable Partnership units at the amount equal to the proportionate share of net assets of the Partnership at the time of redemption. Accordingly, the carrying amount of net assets attributable to unitholders of the Partnership approximates their fair value.

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

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Year ended December 31, 2024

11. Financial instrument risk management:

The Fund is exposed in varying degrees to a variety of risks from its use of financial instruments. The Trustees and Romspen discuss the principal risks of the business on a day-to-day basis. The Trustees set the policy framework for the implementation of systems to manage, monitor and mitigate identifiable risks. The Fund's risk management objective in relation to these instruments is to protect and minimize volatility to net assets and mitigate financial risks, including credit risk, liquidity risk, market risk (including interest rate risk and currency risk) and capital management risk.

Romspen seeks to minimize potential adverse effects of risk by retaining experienced analysts and advisors, monitoring the Partnership's positions, market events and entering into hedge contracts. The type of risks the Fund is exposed to, the source of risk exposure and how each is managed is outlined hereafter:

a) Credit risk:
Credit risk is the risk of loss due to a counterparty to a financial instrument failing to discharge their obligations.

The Fund is exposed to credit risk through its investment in the Partnership.

b) Liquidity risk:
Liquidity risk is the risk that the Fund or the Partnership will not have sufficient cash to meet its obligations as they become due.

Unitholders in the Fund have the limited right to redeem their units in the Fund, as described in Fund's Offering Memorandum ("Offering Memorandum") and paragraph 5.25 of the Fund's Declaration of Trust. The Trustees are entitled, in their sole discretion, to extend the time for payment of any unitholder redemption if, in their reasonable opinion, such payment would be materially prejudicial to the interests of the remaining unitholders.

The Fund is obliged to pay management fees to Romspen, which are funded out of interest income earned from the Partnership.

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

The Fund is exposed to market risk through its investment in the Partnership.

I) Currency risk:
A weakening of the Canadian dollar against the US dollar by 5% would have resulted in an increase in NAV of $0.12 per unit (2023 - $0.08 per unit), assuming all other variables, including interest rates, remain constant. A strengthening would have resulted in an equal but opposite effect.

d) Capital risk management:
The Fund manages capital to attain its objective of providing stable and secure cash distributions of income while preserving unitholders' equity. The Fund defines capital as being capital raised by issuing Fund units. The Fund intends to distribute its taxable income to unitholders, with the result that growth in the portfolio can only be achieved through the raising of additional equity capital and by utilizing the Partnership's available borrowing capacity.

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

(In thousands of dollars, except per unit amounts, unless otherwise noted)
Year ended December 31, 2024

11. Financial instrument risk management (continued):

e) Other price risk:

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

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

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

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

12. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

(In thousands of dollars)
Year ended December 31, 2024

Supplemental information regarding Partnership at FVTPL

The Partnership's non-consolidated statements of financial position, non-consolidated statement of comprehensive income and non-consolidated statement of cash flows prepared on a fair value basis are provided below:

Non-consolidated statement of financial position on a fair value basis:

	2024	2023
Assets		
Cash and cash equivalents	**$ 161,389**	$ 25,187
Accrued interest receivable (a)(v)	**173,193**	138,460
Mortgage investments (b)	**1,398,249**	1,688,074
Investment in subsidiaries (c)	**436,359**	424,293
Investment in USMLP (d)	**688,135**	584,209
Other assets	**38,459**	35,840
Foreign exchange forward contracts (g)	**-**	10,251
	$ 2,895,784	$ 2,906,314
Liabilities and Unitholders' Capital		
Liabilities:		
Revolving loan facility (e)	**$ -**	$ 153,300
Term credit facility (f)	**215,391**	-
Mortgage investment syndication (b)	**-**	85,003
Accounts payable and accrued liabilities	**5,648**	4,777
Foreign exchange forward contracts (g)	**61,782**	-
	282,821	243,080
Fair value of net assets attributable to unitholders of the Partnership	**2,612,963**	2,663,234
	$ 2,895,784	$ 2,906,314

(In thousands of dollars)
Year ended December 31, 2024

Supplemental information regarding Partnership at FVTPL (continued):

Non-consolidated statement of comprehensive income fair value basis:

		2024		2023
Revenue				
Mortgage interest	$	**123,825**	$	122,073
Income from subsidiaries		**9,116**		19,203
Income from investment in USMLP (d)		**40,545**		43,525
Interest income from loan to USMLP (d)		**6,966**		624
Other		**6,310**		1,157
Foreign exchange gain (loss) (g)		**32,399**		(15,126)
		219,161		171,456
Expenses				
Management fees paid to Romspen		**14,586**		15,433
Financing costs		**30,336**		21,003
Change in fair value of accrued interest receivable, mortgage investments, and investment in subsidiaries		**92,773**		125,582
Realized loss on mortgage investments and investment in subsidiaries		**68,333**		4,915
Other losses (gains)		**142**		(553)
Legal fees and other		**1,847**		2,323
		208,017		168,703
Comprehensive income	$	**11,144**	$	2,753

(In thousands of dollars)
Year ended December 31, 2024

Supplemental information regarding Partnership at FVTPL (continued):

Non-consolidated statement of cash flows:

		2024		2023
Cash provided by (used in)				
Operating activities:				
Net Earnings	$	**11,144**	$	2,753
Receipt of interest capitalized on discharge of mortgage investments		**11,369**		-
Items not affecting cash:				
Amortization of revolving loan facility financing costs		**3,203**		515
Change in fair value of accrued interest receivable, mortgage investments, and investment in subsidiaries		**92,773**		125,582
Income from Investment in USMLP		**(40,545)**		(43,525)
Distributions received from USMLP		**37,894**		43,973
Realized loss on mortgage investments and investment in subsidiaries		**68,333**		4,915
Unrealized (gain) loss on foreign exchange		**(34,965)**		(39,100)
Other (gains) losses		**42**		(766)
Interest capitalized to mortgage investments		**(7,350)**		(24,783)
Change in non-cash operating items:				
Accrued interest receivable		**(74,865)**		(25,991)
Other assets		**1,147**		57
Accounts payable and accrued liabilities		**(23)**		(678)
		68,157		42,952
Funding of mortgage investments(i)		**(201,090)**		(311,151)
Discharge of mortgage investments		**403,347**		401,663
Funding of investment in subsidiaries		**(23,361)**		(24,462)
Payments from investment in subsidiaries		**25,490**		43,618
Net funding of investment and loan to USMLP		**(48,765)**		(28,346)
Net cash from operating activities		**223,778**		124,274
Financing activities:				
Distributions to RMIF		**(61,415)**		(68,187)
Net redemption of investment to RMIF		**-**		(14,437)
Change in revolving loan facility		**(153,300)**		(102,727)
Change in term credit facility		**221,720**		-
Financing costs paid		**(9,578)**		(1,025)
Mortgage Investment Syndications		**(85,003)**		85,003
Net cash (used in) financing activities		**(87,576)**		(101,373)
Increase in cash and restricted cash		**136,202**		22,901
Cash and restricted cash, beginning of year		**25,187**		2,286
Cash and restricted cash, end of year	$	**161,389**	$	25,187

(In thousands of dollars)
Year ended December 31, 2024

Supplemental information regarding Partnership at FVTPL (continued):

(i) Funding of mortgage investments includes $3,636 (2023 - $8,068) unbilled disbursements recorded in other assets net of $7,350 (2023 - $24,783) of interest capitalized to mortgage investments.

a) Basis of presentation and measurement for the Partnership:

I) Mortgage investments:
All mortgages have been accounted at FVTPL. Change in the fair value of mortgage investments is reflected in the Partnership's non-consolidated statement of comprehensive income.

In determining fair value of individual mortgages, management considers the length of time the mortgage has been in arrears, the overall financial strength of the borrower and the residual value of the security pledged. Any unrealized changes in the fair value of mortgage investments are recorded in the Partnership's non-consolidated statement of comprehensive income as an unrealized fair value adjustment.

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

III) Investment in USMLP:
The Partnership indirectly owns 78.14% of USMLP as at December 31, 2024 (2023 - 76.77%) through Romspen Liberty LP ("Liberty LP"). The Partnership does not consolidate USMLP or Liberty LP and accounts for its investment in USMLP at FVTPL.

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

IV) Interest income:
Interest income, funding and participation fees are recognized separately from the fair value changes. Income is not recognized for interest deemed to be uncollectible. For the year ended December 31, 2024, the Partnership recognized $36,033 (2023 - $5,547) of interest income that was previously deemed uncollectible.

V) Accrued interest receivable:
Included in change in fair value of accrued interest receivable, mortgage investments, and investments in subsidiaries is a fair value adjustment of $140,631 (2023 - $100,293) representing accrued interest that is not expected to be collectible.

VI) Use of estimates:
The mortgage investments are recorded in the Partnership's non-consolidated statement of financial position at fair value. The estimates may include: assumptions regarding local real estate market conditions; interest rates and the availability of credit; cost and terms of financing; the impact of present or future legislation or regulation; prior encumbrances and other factors affecting the mortgage and underlying security of the mortgage investments. Actual results may differ from those estimates.

These assumptions are limited by the availability of reliable comparable data, economic uncertainty, ongoing geopolitical concerns and the uncertainty of predictions concerning future events. Credit markets, equity markets and consumer spending are factors in the uncertainty inherent in such estimates and assumptions. Accordingly, by their nature, estimates of fair value are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the estimated fair value could change by a material amount.

VII) Foreign currency translation:
Foreign exchange gains and losses on the receipts of payments on mortgage investments and all unrealized foreign exchange gains and losses on each item within the non-consolidated statement of financial position are included in foreign exchange gain/loss on the Partnership's non-consolidated statement of comprehensive income.

(In thousands of dollars)
Year ended December 31, 2024

Supplemental information regarding Partnership at FVTPL (continued):

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

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

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

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

Financial assets classified as FVTPL are carried at fair value on the non-consolidated statement of financial position. The net realized and unrealized gains and losses from fair value changes and foreign exchange differences are recorded in the Partnership's non-consolidated statement of comprehensive income.

IX) Cash and cash equivalents:
Cash consists of cash on hand and unrestricted cash. Cash equivalents consist of highly liquid marketable investments with an original term to maturity of 90 days or less from the date of acquisitions. As at December 31, 2024, the Partnership had $43,238 (2023 - nil) of cash equivalents.

b) Mortgage investments (excluding investment in subsidiaries):

The following is a summary of the mortgage investments:

			2024	2023
	Number of mortgages	Original cost	**Fair value**	Fair value
First mortgages	39	$ 1,459,220	**$ 1,318,740**	$ 1,638,296
Second mortgages	2	117,155	**79,509**	49,778
		$ 1,576,375	**$ 1,398,249**	$ 1,688,074

A reconciliation of the mortgage investments is as follows:

	2024	2023
Investments balance, beginning of year	**$ 1,688,074**	$ 1,850,150
Funding of mortgage investments	**204,804**	327,866
Discharge of mortgage investments (ii)	**(414,717)**	(401,663)
Non-cash transfer to investment in subsidaries	**(51,577)**	-
Loss in the value of investments	**(48,418)**	(54,654)
Realized loss on investments	**(41,117)**	(4,586)
Foreign currency adjustment on investments(i)	**61,200**	(29,039)
Investments balance, end of year	**$ 1,398,249**	$ 1,688,074

(i)Includes net funding of $2,868, equivalent of net discharge of $413 USD (2023 - net funding of $17,220, equivalent of $12,008 USD) in mortgages which are syndicated with USMLP.
(ii)Includes receipt of interest previously capitalized of $11,369, equivalent of net discharge of $8,424 USD (2023 - nil).

(In thousands of dollars)
Year ended December 31, 2024

Supplemental information regarding Partnership at FVTPL (continued):

Credit risk arises from the possibility that mortgagors may be unable to fulfill their obligations. In accordance with the Partnership's policies, the Partnership mitigates this risk by ensuring that its mix of mortgages is diversified and by limited exposure to any one mortgagor or property.

As part of the assessment of fair value, management of the Fund routinely reviews each mortgage for impairment to determine whether or not a mortgage should be recorded at its estimated realizable value.

Pursuant to certain lending agreements and subject to borrowers meeting certain funding conditions, the Partnership funded commitments of $7,350 (2023 - 24,783) during 2024 by capitalizing interest relating to existing mortgage investments.

The mortgage investments portfolio bears interest at a weighted average rate of 9.92% (2023 - 9.46%).

Principal repayments based on contractual maturity dates are as follows:

Overhold	$	954,156
2025		619,988
2026		2,231
	$	1,576,375

Included in the overhold category are loans which are past due (considered in default) or on a month-to-month arrangement. Borrowers have the option to repay principal at any time prior to the maturity date.

The Partnership 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 Partnership. The principal balance of mortgage investment syndications at December 31, 2024 total nil (2023 - $85,003).

c) Investment in subsidiaries:

		2024		2023
Investment in subsidiaries at cost	**$**	**463,375**	$	448,093
Fair value adjustment		**(27,016)**		(23,800)
	$	**436,359**	$	424,293

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

A reconciliation of investment in subsidiaries is as follows:

		2024		2023
Investment balance, beginning of year	**$**	**424,293**	$	410,602
Funding in investments		**23,361**		24,462
Sale of investments		**(25,490)**		(43,618)
Non-cash transfer from mortgage investments		**51,577**		-
Net unrealized (loss) gain in the fair value of investments		**(3,216)**		29,365
Realized loss on investments		**(27,216)**		(329)
Foreign currency adjustment on investments		**(6,950)**		3,811
Investment balance, end of year	**$**	**436,359**	$	424,293

The fair value of the Partnership's investment in subsidiaries is generally determined using a variety of methodologies, including comparable market property values, market research data, third-party and in-house appraisals, and discounted cash flow analysis, which would include inputs related to discount rates, capitalization rates, future cashflows and liquidity assumptions.

(In thousands of dollars)
Year ended December 31, 2024

Supplemental information regarding Partnership at FVTPL (continued):

d) The Partnership's investment in USMLP at FVTPL:

USMLP was formed on December 22, 2017 to conduct lending activities in the United States with the sole objective to provide stable and secure cash distributions of income, while preserving partners' equity. USMLP is managed by Romspen Investment LP, a wholly-owned subsidiary of Romspen.

As at December 31, 2024, the Partnership indirectly owns 78.14% (2023 - 76.77%) of USMLP, through Liberty LP.

Schedule of investment in USMLP:

		2024		2023
Investment balance, beginning of year	**$**	**584,209**	$	571,088
Net funding (divestment) of investment in USMLP		**-**		(19,991)
Loan to USMLP		**48,765**		48,337
Partnership's share in USMLP net income		**40,545**		43,525
Dividend received from USMLP		**(37,894)**		(43,973)
Foreign currency adjustment on investment		**52,510**		(14,777)
Investment balance, end of year	**$**	**688,135**	$	584,209

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

Non-consolidated statement of financial position:

		2024		2023
Assets				
Cash and restricted cash	**$**	**36,533**	$	9,257
Accrued interest		**40,391**		23,959
Mortgage investments, at fair value		**795,574**		832,134
Real estate owned, at fair value		**102,329**		40,682
Other assets		**8,630**		3,673
	$	**983,457**	$	909,705
Liabilities and Unitholders' Capital				
Liabilities:				
Mortgage investment syndication[i]	**$**	**120,013**	$	118,636
Accounts payable and accrued liabilities		**11,839**		5,043
Revolving loan facility		**-**		39,729
Due to the Partnership		**103,637**		48,337
Distributions payable		**8,130**		4,673
Redemptions payable		**50,672**		35,605
		294,291		252,023
Fair value of net assets attributable to unitholders of USMLP		**689,166**		657,682
	$	**983,457**	$	909,705

(i) Of this amount, $43,054, equivalent to $29,932 USD (2023 - $40,186, equivalent to $30,345 USD) is included in the Partnership's mortgage investments.

(In thousands of dollars)
Year ended December 31, 2024

Supplemental information regarding Partnership at FVTPL (continued):

Non-consolidated statement of comprehensive income:

	2024	2023
Investment income:		
Mortgage interest	$ **67,209**	$ 72,225
Other	**948**	1,294
	68,157	73,519
Expenses:		
Service fees (note 8(c))	**7,958**	7,719
Interest	**10,221**	6,242
Accounting and legal fees	**874**	681
Other	**978**	765
	20,031	15,407
	48,126	58,112
Realized (loss) gain from investments	**(14,284)**	404
Unrealized gain (loss) from investments	**18,402**	(1,416)
Net investment income	$ **52,244**	$ 57,100

The Partnership provides funding to assist in USMLP's ability to fund loans. These loans bear an interest rate of US prime plus 1.25%. As of December 31, 2024, a balance of $103,637 (2023 - $48,337), equivalent of $72,050 USD (2023 - $36,500), is outstanding and included in the investment balance. During the year ended December 31, 2024, the Partnership recognized $6,966, equivalent of $5,074 USD (2023 - $624, equivalent of $461 USD) towards interest income from these temporary loans.

During the year ending December 31, 2023, the Partnership obtained temporary loans from USMLP. These bear an interest rate of US prime plus 2.00%. As of December 31, 2024, a balance of nil (2023 - nil), is outstanding towards these temporary loans. During the Year ended December 31, 2024, the Partnership incurred nil (2023 - $1,088, equivalent of $804 USD) of interest expense on these temporary loans.

The Partnership has issued a Letter of Financial Support for USMLP to not demand payment of the indebtedness owing to the Partnership and expressed its willingness to continue its financial support of USMLP so as to maintain USMLP's existence as a going concern for a period of 12 month from the date of USMLP's financial statements issuance date of April 16, 2025.

- Fair value of mortgage investments:

  The fair value of the mortgage investments portfolio is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties under no compulsion to act. As there is no quoted price in an active market for these mortgages, Romspen makes its determination of fair value based on the assessment of the current lending market for investments of same or similar terms. Typically, the fair value of mortgages approximates their carrying values given the mortgage and loan investments consist of short-term loans that are repayable at the option of the borrower without yield maintenance or penalties. When collection of the principal amount of a mortgage or loan is no longer reasonably assured, the fair value of the investment is adjusted to the fair value of the underlying security.

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

	2024	2023
Mortgage investments, at cost	$ **1,576,375**	$ 1,816,982
Investment in subsidiaries, at cost	**463,375**	448,093
Accrued interest receivable, at cost	**313,824**	238,752
Investment in USMLP	**688,135**	584,209
Unrealized fair value adjustment	**(345,773)**	(253,000)
	$ **2,695,936**	$ 2,835,036
Mortgage investments	$ **1,398,249**	$ 1,688,074
Investment in subsidiaries	**436,359**	424,293
Accured interest receivable	**173,193**	138,460
Investment in USMLP	**688,135**	584,209
	$ **2,695,936**	$ 2,835,036

Supplemental information regarding Partnership at FVTPL (Continued)

(In thousands of dollars)
Year ended December 31, 2024

Supplemental information regarding Partnership at FVTPL (continued):

The fair values of cash and cash equivalents, other assets and accounts payable and accrued liabilities approximate their carrying values due to their short-term maturities. The fair value of the revolving loan facility and term credit facility approximate their carrying values due to variable interest rate arrangements.

Romspen regularly reviews significant unobservable inputs and valuation adjustments and will use market observable data when available. When third party appraisals are used to measure fair values of its investment in subsidiaries, the Partnership will assess the assumptions used to support the fair value in these appraisals.

e) Revolving loan facility:
The Partnership obtained a revolving loan facility ("Facility") on July 16, 2012 which was most recently amended on May 16, 2024 to a maximum amount of $150,000 (2023 - $217,500), including borrowing of equivalent amount denominated in USD. The maximum amount is subject to an additional drawing threshold based on a borrowing base calculation using eligible mortgage investments determined by the loan facility agreement. At December 31, 2024, the outstanding amount was nil (2023 - $153,300).

The interest rates are either the Prime interest rate plus 1.75% per annum (2023 - Prime interest rate plus 1.50% per annum) or the CORRA plus 2.75% per annum, increased by 0.2954% or 0.32138% per annum, or the U.S. Base Rate (as defined in the credit agreement) plus 1.75% per annum (2023 - Banker Acceptance Fee Rate plus 2.50%) or the Secured Overnight Financing Rate plus 2.75%, increased by 0.10% or 0.15% or 0.25% per annum, if and as applicable (2023 - Secured Overnight Financing Rate plus 2.50%) per annum. The Facility also imposes a Letter of Credit Fee rate of 2.75% (2023 - 2.50%) per annum and a Standby Fee Rate of 0.6875% (2023 - 0.625%) per annum on the unutilized portion of the credit limit.

The minimum and maximum amounts drawn under the Facility for the year ended December 31, 2024 were nil and $153,300 respectively (2023 - $153,300 and $273,120). The loan is secured by all assets of the Partnership and a pledge of all Partnership units held by the Fund. The Facility matures on April 16, 2025.

The costs associated with the renewal of the Facility are amortized over the one-year term and have been included in other assets of $327 (2023 - $281), net of accumulated amortization of $1,081 (2023 - $1,005).

As part of the covenants in the Facility loan agreement, the Partnership's distributions cannot exceed taxable income in a given year. The Partnership made distributions in excess of taxable income for the year ended December 31, 2024. Subsequent to year end on February 19, 2025 the lender provided a waiver consenting to the distributions being in excess of taxable income for the year ending December 31, 2024.

On April 11, 2025, the Partnership amended and restated the credit agreement for its existing revolving loan facility ("Facility") to a maximum amount of $102,000, including borrowing of an equivalent amount denominated in USD. The maximum amount is subject to an additional drawing threshold based on a borrowing base calculation using eligible mortgage investments determined by the loan facility agreement. The Facility is repayable on April 11, 2027. The credit agreement for the Facility contains certain restrictions on the uses of funds drawn down from the Facility.

f) Term credit facility:
On May 16, 2024, the Partnership obtained a $225,000 term credit facility ("Term Credit Facility"), comprising of Tranche A Term Facility ("Tranche A") with a principal amount of $50,000 and Tranche B Term Facility ("Tranche B") with a principal amount of $175,000. The interest rates are bank prime rate (with a floor of 6.0%) ("Prime Rate") plus 4.60% per annum and Prime Rate plus 4.75% per annum for Tranche A and Tranche B, respectively. Tranche A is repayable on May 16, 2025, and its maturity date may be extended once for a one-year period at the request of the Partnership upon written notice to the lender on or before May 16, 2025. An extension fee equal to 0.50% of the principal amount of the outstanding advances under Tranche A is required to be paid upon extension. Tranche B can be repaid in full without penalty on or after November 16, 2026. Tranche B is repayable in full on May 16, 2028. The credit agreement for the Term Credit Facility contains certain restrictions on the uses of funds drawn down from the Facility.

The Term Credit Facility is secured by, among other things, all assets of the Partnership and a pledge of all Partnership units held by the Fund.

(In thousands of dollars)
Year ended December 31, 2024

Supplemental information regarding Partnership at FVTPL (continued):

Below is the maturity table showing the repayments of the Term credit facility, on the assumption the Fund is not doing an early paydown.

Maturity	<= 1 year	1 - 2 years	>2 years	Total
Tranche A	$ 50,000	$ -	$ -	$ 50,000
Tranche B	13,125	13,125	145,469	171,719
Total	$ 63,125	$ 13,125	$ 145,469	$ 221,719

The costs associated with the Term Credit Facility is $8,451 and are being amortized over one-year term (Tranche A) and four-year term (Tranche B). This has been recorded against Term Credit Facility, of $726 (2023 - nil) for Tranche A and $5,602 (2023 - nil) for Tranche B, net of accumulated amortization of $1,152 (2023 - nil) for Tranche A and $971 (2023 - nil) for Tranche B.

As part of the covenants in the Term Credit Facility loan agreement, the Partnership's distributions cannot exceed taxable income in a given year. The Partnership made distributions in excess of taxable income for the year ended December 31, 2024.

Subsequent to year end on March 31, 2025 the lender provided a waiver consenting to the return on capital to be reduced from the distributions amount resulting in the Partnership not being in excess of taxable income.

The Term Loan also restricts that the negative fair value adjustment on derivatives in that it cannot be in excess of $50,000. At December 31, 2024 the negative fair value adjustment on derivatives was $ 61,783. Subsequent to year end, on March 31, 2025 the lender provided a waiver for this condition to the effective date of March 31, 2025 and the covenant will have to be reassessed on April 30, 2025.

g) Foreign exchange forward contracts:

The foreign exchange forward contracts are used to economically hedge the Fund's exposure to loans denominated in USD and are classified at FVTPL. The following table sets out the fair values and the notional amount of foreign exchange forward contract derivative assets and liabilities held by the Partnership as at December 31, 2024 and 2023.

Foreign exchange loss on forward contracts as at year end:

	Currency received to be delivered in USD (CAD)	Fair value at foreign exchange	Unrealized gain (loss)
2024	**$ 1,015,004**	**$ 1,076,786**	**$ (61,782)**
2023	1,085,053	1,074,802	10,251

The Partnership's foreign exchange gain (loss) in the non-consolidated statement of comprehensive income includes an unrealized foreign exchange gain of $34,965 (2023 - $39,100) and a realized foreign exchange loss of $2,566 (2023 - $54,226).

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

The realized foreign exchange gains (losses) include realized foreign exchange losses of $26,026 (2023 - $61,850) on forward contracts, which are offset by gain in assets classified at FVTPL.

h) Commitments and contingent liabilities:

I) The Partnership has granted an irrevocable option to Romspen to purchase, at any time, any or all Partnership mortgages at a purchase price equal to the principal amount of such mortgage plus accrued interest.

II) In certain situations, subsidiaries utilize financing from external sources. In such cases, the Partnership will extend guarantees to the subsidiaries as support for these debts. As of December 31, 2024, there were $33,921 of guarantees outstanding (2023 - $48,743).

(In thousands of dollars)
Year ended December 31, 2024

Supplemental information regarding Partnership at FVTPL (continued):

III) The Partnership has letters of credit and guarantees outstanding at December 31, 2024 of $19,191 (2023 - $22,639).

IV) As of December 31, 2024, the Partnership has provided a guarantee to cover any losses incurred (if any) by a lender in priority position on one of its mortgages investments for a maximum amount of $90,332, equivalent to $62,800 USD (2023 - nil).

i) Fair values of financial instruments:

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

j) Financial instrument risk management:

Credit risk:

Credit risk arises from mortgage investments held from investment in subsidiaries, from investment in USMLP and also from foreign exchange forward contracts. The Partnership's sole activity is investing in mortgages and, therefore, its assets are exposed to credit risk. Any instability in the real estate sector and adverse change in economic conditions in Canada and the US could result in declines in the value of real property securing its mortgage investments. Romspen manages credit risk by adhering to the investment and operating policies set out in its Offering Memorandum. This includes the following policies:

I) no more than 20% of the Fund's capital may be invested in subordinate mortgages; and

II) no more than 10% of the Fund's capital may be invested in any single mortgage or to any single borrower.

The Partnership focuses its investments in the commercial mortgage market segments described in its Offering Memorandum, which includes development mortgages, construction mortgages, term financing mortgages and residential mortgages.

These mortgages generally have the following characteristics:

I) initial terms of 12 to 24 months;

II) loan to value ratios of approximately 65% at time of underwriting;

III) significant at-risk capital and/or additional collateral of property owner; and

IV) full recourse to property owners supported by personal guarantees.

The Fund's management meet regularly to review mortgage investments and the overall portfolio to ensure it is adequately diversified.

As at December 31, 2024, there are four mortgage investments issued to a single borrower ("Borrower 1") for $157,313 (2023 - $172,358) in principal and $156,028 (2023 - $156,521) in accrued interest, for a combined indebtedness of $313,341 (2023 - $328,879) at cost. The total mortgage investments and accrued interest with the Borrower 1 is recorded at a fair value of $213,189 (2023 - $267,619). Total principal outstanding accounts for 6.0% (2023 - 6.5%) of the Partnership's capital. The principal and accrued interest accounts for 19.5% (2023 - 14.7%) of the Partnership's combined mortgage investment and accrued interest receivable balance at fair value (excluding investment in subsidiaries and investment in USMLP). During the year, interest income accrued from Borrower 1 is $62 (2023 - $12,856) and recorded in the Partnership's non-consolidated statement of comprehensive income.

In addition, there is a mortgage investment issued to a single borrower ("Borrower 2") for $240,274 (2023 - $183,494) in principal and $31,245 (2023 - $2,072) in accrued interest, for a combined indebtedness of $271,519 (2023 - $185,566) at cost. The total mortgage investments and accrued interest with the Borrower 2 is recorded at a fair value of $271,519 (2023 - $185,566). Total principal outstanding accounts for 9.1% (2023 - 6.9%) of the Partnership's capital. The principal and interest receivable accounts for 16.9% (2023 - 10.2%) of the Partnership's combined mortgage investment and accrued interest receivable balance at fair value (excluding investment in subsidiaries and investment in USMLP). During the year, interest income accrued from Borrower 2 is $29,173 (2023 - $848) and recorded in the Partnership's statement of comprehensive income.

(In thousands of dollars)
Year ended December 31, 2024

Supplemental information regarding Partnership at FVTPL (continued):

As of December 31, 2024, the Partnership has $49,267 (2023 - $22,412) of accrued interest past due on $333,334 (2023 - $276,284) of mortgages which the Fund does not consider impaired. The Fund has reviewed those loans and has determined that fair value adjustments are not required given the value of underlying collateral.

Romspen manages counterparty credit risk on foreign exchange forward contracts by dealing with counterparties with high credit ratings.

Liquidity risk:
Liquidity risk is the risk that the Partnership will not have sufficient cash to meet its obligations as they become due.

The Partnership mitigates this risk by monitoring its scheduled mortgage repayments and ensuring that sufficient funds are available in the near term to satisfy all of its obligations. The Partnership's obligations are primarily those which arise under the revolving loan facility, the Mortgage Management Agreement and its Declaration of Trust. In the current economic climate and capital markets, the lenders may continue to tighten their lending standards, which could make it challenging for the Partnership to obtain financing on favourable terms, or to obtain financing at all.

In the current economic climate and credit market conditions, there are no assurances that the revolving loan facility (e) and term credit facility (f) will be renewed or that it could be replaced with another lender or lenders if not renewed. The Partnership's mortgages are predominantly short-term in nature, and as such, the continual repayment by borrowers of existing mortgage investments creates liquidity for ongoing mortgage investments and funding commitments. In the current economic environment, a large portion of the Partnership's mortgage investments is in overhold (b), which results in an increased liquidity risk for the Partnership.

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

There are limitations in the availability of funds under the revolving loan facility and term credit facility (e) and (f).

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

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

Market risk arises on the fair value of the collateral securing any of the Partnership's mortgage investments. Romspen monitors real estate market conditions in the regions in which it operates. Real estate market trends are monitored on an ongoing basis and Romspen's lending practices and policies are adjusted when necessary.

I) Interest rate risk:
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Partnership manages this risk by investing primarily in short-term mortgages. The Partnership's investment objective is to obtain an acceptable and consistent absolute rate of return that is not related to any market-based interest rate benchmark.

As a result, the credit characteristics of the mortgages will evolve such that in periods of higher market interest rates, the mortgages will be those with narrower credit spreads, and vice versa in periods of lower market interest rates compared to other benchmark interest rates.

The majority of the Partnership's investments are in fixed rate, short-term mortgages. The Partnership generally holds all of its mortgages to maturity. There is no secondary market for the Partnership's mortgages and in syndication transactions; these mortgages are generally traded at face value without regard to changes in market interest rates.

The Partnership's debt under the revolving loan facility and the term credit facility bears interest at the interest rates indicated in (e) and (f).

(In thousands of dollars)
Year ended December 31, 2024

Supplemental information regarding Partnership at FVTPL (continued):

As at December 31, 2024, if interest rates on the revolving loan facility had been 100 basis points lower or higher, with all other variables held constant, net earnings for the year would be affected with a total increase or decrease of $554 (2023 - $1,918). Similarly, it would be $1,408 (2023 - nil) for term credit facility. Romspen monitors the financial markets and can adjust the pricing of renewals and new loans when it deems it appropriate.

II) Currency risk:
Currency risk is the risk that the fair value or future cash flows of the Partnership's portfolio will fluctuate based on changes in foreign currency exchange rates. Approximately $1,476,484 (2023 - $1,597,588), or 55% (2023 - 56%) of the total Partnership's investments at December 31, 2024, are denominated in USD and secured primarily by charges on real estate located in United States; consequently, the Fund is subject to currency fluctuations that may impact its financial position and results. Romspen reduces currency risk on mortgages by having the Partnership enter into foreign exchange forward contracts; by including where possible mortgage contract terms whereby the borrower is responsible for foreign exchange losses; and by funding part of the mortgages with a USD loan facility.

Capital risk management:
The Partnership may borrow up to 35% of the book value of its mortgages. The primary purpose of the borrowing strategy is to ensure that the Fund's unitholders' capital is fully invested. The secondary purpose is to obtain a spread between the interest rates payable under its mortgage investments and its borrowings. As of December 31, 2024, the Partnership's borrowings totalled 9% (2023 - revolver of 6%) of the carrying value of its total investments.

Unaudited Non-IFRS financial information

Historical Performance Overview

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual Compound Net Return
2024	0.61	0.47	0.25	0.55	0.01	0.06	0.18	-0.33	0.05	0.21	0.19	-2.17	0.0
2023	0.08	0.41	0.18	0.23	0.27	0.25	0.24	0.48	0.52	0.13	0.10	-3.11	-0.3
2022	0.59	0.55	0.53	1.01	0.50	0.75	0.54	0.61	0.75	0.18	0.12	0.33	6.6
2021	0.44	0.27	0.58	0.52	0.59	0.75	0.57	0.80	0.47	0.45	0.73	0.96	7.4
2020	0,.62	0.64	0.73	0.32	0.15	0.15	0.15	0.07	0.53	0.37	0.15	0.42	4.4
2019	0.36	0.60	0.60	0.57	0.60	0.42	0.59	0.63	0.56	0.58	0.76	0.55	7.0
2018	0.63	0.67	0.84	0.59	0.64	0.68	0.53	0.86	0.59	0.68	0.65	0.91	8.6
2017	0.63	0.70	0.73	0.66	0.62	0.45	0.57	0.53	0.46	0.71	0.57	0.33	7.2
2016	0.66	0.71	0.61	0.57	0.79	0.54	0.64	0.53	0.61	0.62	0.55	0.70	7.8
2015	0.69	0.73	0.60	0.70	0.57	0.63	0.90	0.61	0.56	0.64	0.42	0.68	8.0
2014	0.70	0.45	0.76	0.68	0.66	0.50	0.81	0.50	0.94	0.62	0.74	0.55	8.2
2013	0.60	0.61	0.61	0.64	0.58	1.11	0.33	0.81	0.39	0.61	0.60	0.56	7.7
2012	0.70	0.59	0.61	0.56	0.73	0.57	0.61	0.63	0.63	0.60	0.62	0.59	7.7
2011	0.68	0.60	0.82	0.68	0.62	0.67	0.65	0.70	0.60	0.61	0.63	0.61	8.2
2010	0.71	0.65	0.78	0.73	0.69	0.61	0.59	0.59	0.80	0.67	0.72	0.71	8.6
2009	0.69	0.72	0.71	0.70	0.70	0.65	0.70	0.66	0.69	0.67	0.66	0.60	8.4
2008	0.94	0.80	0.86	0.73	0.91	0.63	0.77	0.95	0.68	0.78	0.68	0.65	9.8
2007	0.86	0.80	0.89	0.84	0.78	0.87	0.83	0.79	0.88	0.79	0.83	0.81	10.4
2006	0.72	0.74	0.87	0.87	0.80	0.80	0.80	0.90	0.80	0.80	0.80	0.86	10.2
2005	0.65	0.06	0.86	0.58	0.88	1.91	0.57	1.08	0.74	0.74	0.57	0.88	9.9
2004	0.67	1.08	0.83	0.88	0.71	1.02	0.76	0.83	0.63	0.62	0.74	0.68	9.8
2003	0.84	0.78	0.76	0.70	0.71	0.77	0.83	0.72	0.87	0.76	0.68	0.90	9.7
2002	0.88	0.71	0.86	0.86	1.01	0.67	0.94	0.81	0.77	0.76	0.77	1.06	10.6
2001	0.91	0.67	0.83	0.69	0.82	0.76	0.82	0.87	0.73	0.92	0.83	0.73	10.0
2000	0.87	0.78	0.93	0.74	0.88	0.75	0.81	0.75	0.73	0.79	0.82	0.80	10.1
1999	0.77	0.74	0.77	0.84	0.88	0.79	0.89	0.71	0.96	0.74	0.84	0.72	10.1

Source: Romspen annual reports, Romspen analysis.

3 Yr	6%	5 Yr	19%	10 Yr	73%	20 Yr	306%	25 Yr	556%

Annualized as of December 31, 2024

Romspen results from January 1999 to January 16, 2006, reflect the aggregated pool of individually syndicated mortgages. Results from January 16, 2006, to present reflect the Romspen Mortgage Investment Fund, the successor to the individually syndicated mortgages. Romspen rates of return are historical compounded Canadian 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 by any unit holder, that would have reduced returns. The calculation assumes a fixed historical monthly starting and ending date at the Unit value, and that Unit values are capped at $10.00. For that reason, they may not reflect an individual investor's actual return for purchases prior to 2018. The performance chart above reflects historical performance of the fund for the most recent 25-year period. Full historical performance dating back to January 1993 is available upon request.

Audited financial statements from RMIF are available upon request, performance from 1999 to 2006 is referenced from PWC analysis. Past performance does not guarantee or indicate future results and no presentation is made that an investor will or is likely to achieve similar results.

Trustees & Management

Romspen is led by six managing partners, each with extensive finance and real estate experience, supported by over 80 professionals dedicated to all facets of our business. The Trustees and the Management team are collectively the largest non-institutional investor in the Fund. This alignment is essential to preserving capital and generating strong consistent returns for the Fund's unitholders.

Romspen Mortgage Investment Fund

Sheldon Esbin
Trustee

Arthur Resnick
Trustee

Wesley Roitman*
Trustee

Mark Hilson*
Trustee

Romspen Investment Corporation

Wesley Roitman
Managing General Partner

Blake Cassidy*
Managing Partner

Mary Gianfriddo
Managing Partner

Derek Jenkin
Managing Partner

Peter Oelbaum
Managing Partner

Richard Weldon
Managing Partner

Joel Mickelson
General Counsel

Brent Forrest
President, Romspen Development Group

Vanessa Ho
Senior Vice President, Finance

Hugo Domingues
Vice President, Finance and Treasury

Doha Heikal
Vice President, Information Technology

*Denotes director of Romspen Investment Corporation.

Unitholder Information

Units

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

Distributions

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

Distribution Reinvestment Plan

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

Investor Relations Contact

Requests for the Fund's annual report, quarterly reports, or other corporate communications should be directed to:

Investor Relations
Romspen Mortgage Investment Fund
Suite 300, 162 Cumberland Street
Toronto, Ontario M5R 3N5
416-966-1100

Annual Meeting of Unitholders

The Fund's Annual Meeting of Unitholders will be held on Tuesday, June 24, 2025, at 10 a.m. in the Courtyard Hall of the Courtyard Marriot Toronto Downtown Hotel, located at 475 Yonge Street, Toronto, Ontario, M4Y 1X7.

Duplicate Communication

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

Auditors

KPMG LLP

Legal Counsel

Gardiner Roberts LLP

Website

www.romspen.com

The Ellie Condos - Toronto, ON Canada