

Romspen US Mortgage Investment Fund

Year ended December 31, 2024



Kindred at Keystone Resort - USA



KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5
Canada
Tel 416-777-8500
Fax 416-777-8818

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Romspen US Mortgage Investment Fund,

Opinion

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

- the statement of assets and liabilities as at December 31, 2024
- the statement of operations for the year then ended
- the statement of changes in partners' capital for the year then ended
- the statements of cash flows for the year then ended
- and notes to the separate financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the separate financial position of the Fund as at December 31, 2024, and its results of operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***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.

Responsibilities of Management for the Financial Statements

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



In preparing the financial statements, management is responsible for assessing the 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 16, 2025

Statement Of Assets And Liabilities

Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted	2024	2023
Assets		
Cash and cash equivalents (note 2(b))	\$ 103	\$ 291
Investment in TIG Romspen US Master Mortgage LP (note 2(a), 3)	96,407	79,946
Other assets (note 4)	1,059	539
	\$ 97,569	\$ 80,776
Liabilities and Partners' capital		
Liabilities:		
Accounts payable and accrued liabilities	\$ 42	\$ 40
Prepaid unit capital	-	150
Distributions payable (note 7)	1,033	495
Redemptions payable (note 5)	31,055	16,339
	32,130	17,024
Partners' capital (note 5)	65,439	63,752
	\$ 97,569	\$ 80,776
Net asset value per unit (note 6)	\$ 10.00	\$ 10.00

See accompanying notes to financial statements.

Statement Of Operations

Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted	2024	2023
Investment income (expenses) allocated from		
TIG Romspen US Master Mortgage LP:		
Mortgage interest	\$ 8,382	\$ 8,482
Other income	118	152
Service fees (note 8(c))	(992)	(906)
Interest	(1,275)	(733)
Accounting and legal fees	(109)	(80)
Other expenses	(122)	(90)
Total net investment income allocated from TIG Romspen US Master Mortgage LP	\$ 6,002	\$ 6,825
Partnership Income:		
Other Income	7	15
Total Partnership income	7	15
Partnership Expenses:		
Service fees (note 8(a))	222	210
Accounting and legal fees	70	78
Other	32	32
Total Partnership expenses	324	320
Net investment income	\$ 5,685	\$ 6,520
Realized and unrealized gain (loss) from investments allocated from TIG		
Romspen US Master Mortgage LP:		
Realized (loss) gain from investments	(1,782)	47
Unrealized gain (loss) from investments	2,295	(166)
Net gain (loss) from investments allocated from TIG Romspen US Master Mortgage LP	513	(119)
Net Income	\$ 6,198	\$ 6,401
Net income per unit (note 6)	\$ 0.70	\$ 0.76
Weighted average number of units issued and outstanding (note 6)	8,908,872	8,432,379

See accompanying notes to financial statements.

Statement Of Changes In Partners' Capital

Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted	2024	2023
Partners' capital:		
Balance, beginning of year	\$ 63,752	\$ 90,500
Issuance of units (note 5)	15,210	787
Reinvestment of distributions (note 5)	1,193	1,995
Redemption of units (note 5)	-	(23,602)
Increase in units submitted for redemption	(14,716)	(5,928)
Balance, end of year	\$ 65,439	\$ 63,752
Cumulative income:		
Balance, beginning of year	\$ 31,281	\$ 24,880
Net income	6,198	6,401
Balance, end of year	\$ 37,479	\$ 31,281
Cumulative distributions to partners:		
Balance, beginning of year	\$ (31,281)	\$ (24,880)
Distributions (note 7)	(6,198)	(6,401)
Balance, end of year	\$ (37,479)	\$ (31,281)
Partners' capital (note 5)	\$ 65,439	\$ 63,752

See accompanying notes to financial statements.

Statement Of Cash Flows

Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted	2024	2023
Cash and cash equivalents provided by (used in):		
Operations:		
Net Income	\$ 6,198	\$ 6,401
Change in non-cash operating items:		
Other assets	(520)	186
Accounts payable and accrued liabilities	2	(16)
Net (investment) redemption in TIG Romspen US Master Mortgage LP (note 3)	(16,461)	20,719
	(10,781)	27,280
Financing:		
Increase from issuance of units (note 5)	15,210	787
Redemption of units (note 5)	-	(23,602)
Prepaid capital	(150)	150
Distribution to partners	(4,467)	(4,614)
	10,593	(27,278)
Decrease (increase) in cash and cash equivalents	(188)	11
Cash and cash equivalents, beginning of year	291	280
Cash and cash equivalents, end of year	\$ 103	\$ 291

See accompanying notes to financial statements.

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

The Partnership generally invests its assets through a "master-feeder" structure, conducting its investment and trading activities indirectly through an investment in the TIG Romspen US Mortgage Intermediate LP (the "Intermediate LP"), a flow-through partnership which wholly owns TIG Romspen US Master Mortgage LP (the "Master Fund"). The Master Fund is a limited partnership formed to conduct trading activities on behalf of the Partnership and other entities serviced by Romspen Investment Corporation ("RIC") or its affiliates. The purpose of the Master Fund is to provide stable and secure cash distributions of income while preserving partners' capital. Service fees are charged at the Partnership and Master Fund level, and profit allocations are made at the Master Fund level. The Partnership is responsible, as an indirect investor in the Master Fund, for its pro-rata share of the Master Fund's operating and overhead expenses. The Master Fund is managed by Romspen US Master Mortgage GP LLC (the "Master General Partner") and Romspen Investment LP (the "Manager"). The Partnership is managed by Romspen Citadel GP Inc. (the "General Partner") and pursuant to a Capital Raising Agreement, the Partnership is serviced by RIC, a corporation formed in Canada. Investor administration functions are outsourced to a third-party administrator, SS&C Technologies Inc.

As at December 31, 2024, the Partnership owns 19% (2023 – 15%) of the Master Fund via the Intermediate LP. The financial statements of the Master Fund, including the consolidated schedule of investments, which are attached, are an integral part of these financial statements, and should be read in conjunction with the Partnership's financial statements.

These financial statements and accompanying footnotes are presented for the year ended December 31, 2024.

1. Basis of presentation

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

The Partnership follows the accounting and reporting guidance in the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 946, Financial Services - Investment Companies.

The financial statements are measured and presented in U.S. dollars; amounts are rounded to the nearest thousand, unless otherwise stated.

2. Significant accounting policies:

A) Fair value of financial instruments

The Partnership records its investment in the Master Fund based on its proportionate share of the net assets of the Master Fund. Valuation of investments held by the Master Fund, including, but not limited to, the valuation techniques used and classification within the fair value hierarchy of investments held, are disclosed in the notes to the Master Fund financial statements. When considering market participant assumption in fair value measurements, a three-level valuation hierarchy is used to distinguish the degree to which the inputs are observable or unobservable:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership is able to access.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly. These inputs may include (a) quoted prices for similar assets in active markets, (b) quoted prices for identical or similar assets in markets that are not active, (c) inputs other than quoted prices that are observable for the asset, or (d) inputs derived principally from or corroborated by observable market data by correlation or other means.

A) Fair value of financial instruments (continued)

- Level 3 – Inputs that are unobservable and significant to the entire fair value measurement. The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, determining fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Therefore, the degree of judgment exercised by the Partnership in determining fair value is greatest for investments categorized in Level 3. In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

B) Cash and cash equivalents

Cash, including cash denominated in foreign currencies, represents cash deposits held at financial institutions. Cash equivalents are held for meeting short-term liquidity requirements, rather than for investment purposes. Cash and cash equivalents are held at major financial institutions and are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation or Securities Investor Protection Corporation limitations. At December 31, 2024, the Partnership held no restricted cash (2023 – nil) and no cash equivalents (2023 – nil).

C) Investment income and expenses

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

D) Net income per unit

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

E) Redemptions payable

During the normal course of business, the Partnership receives redemption requests from the partners. Redemption requests received at December 31, 2024 that are paid in the following year are recognized as liabilities. Redemption notices received for which the dollar amount is not fixed remain in partners' capital until the amount is determined.

F) Prepaid unit capital

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

G) Income Taxes

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

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

3. Investment in the Master Fund

The following is a summary of the investment in the Master Fund:

	2024	2023
Investment balance, beginning of year	\$ 79,946	\$ 100,665
Funding of investment in the Master Fund	16,461	2,893
Redemption of investment in the Master Fund	-	(23,612)
Partnership's share of Master Fund net income	6,515	6,706
Distributions from the Master Fund	(6,515)	(6,706)
Investment balance, end of year	\$ 96,407	\$ 79,946

4. Other assets

Other assets include an outstanding distribution receivable of \$1,059 (2023 - \$539) declared from the Master Fund.

5. Partners' capital

The beneficial interests in the Partnership are represented by a single class of units, which are unlimited in number.

Each limited partner shall make an initial capital contribution in the amount set forth in such partners subscription agreement. The initial capital contribution made by a partner shall not be less than \$50,000, except to the extent that the General Partner, in its sole and absolute discretion, accepts a lesser amount. Units are issued and offered based on NAV. As at December 31, 2024, the NAV was \$10.00 per unit (2023 - \$10.00 per unit).

Each limited partner may generally withdraw all or a portion of the balance in each of its capital accounts maintained for purposes of withdrawals as of the end of each calendar month. If a redemption request occurs within 12 months of the contribution date, then the proceeds in respect of any such early withdrawal will be subject to a withdrawal charge equal to 4% of the amount permitted to be withdrawn. Limited partners seeking a withdrawal must give written notice to the General Partner with a minimum of 30 days' notice. There were no withdrawal charges incurred for year ended December 31, 2024. The General Partner, in its sole discretion, may permit withdrawals at other times. As well, the General Partner, in its sole discretion, may waive or reduce other provisions. A partial or complete redemption of units is limited to a set of withdrawal gates as set forth below:

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

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

As at December 31, 2024, the Partnership received requests to redeem 3,105,499 units for \$31,055 (2023 – 1,633,928 units for \$16,339) that is outstanding to be paid at the net asset value.

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

Notes to Financial Statements

Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted
Year ended December 31, 2024, with comparative information for 2023

The following units are issued and outstanding, net of units submitted for redemptions:

	2024		2023	
	Units	Amount	Units	Amount
Balance, beginning of year	6,375,141	\$ 63,752	9,049,975	\$ 90,500
New units issued	1,521,003	15,210	78,706	787
Units issued under DRIP	119,332	1,193	199,539	1,995
Units redeemed	-	-	(2,360,258)	(23,602)
Increase in units submitted for redemption	(1,471,571)	(14,716)	(592,821)	(5,928)
Balance, end of year	6,543,905	\$ 65,439	6,375,141	\$ 63,752

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

Net asset value per unit is calculated as total assets less total liabilities allocable to outstanding units of 6,543,905 as at December 31, 2024 (2023 – 6,375,141).

Net income per unit is computed using the weighted average number of units issued and outstanding of 8,908,872 for the year ended December 31, 2024 (2023 – 8,432,379).

7. Distributions

The Partnership makes distributions to the partners monthly on or about the 20th day of each month.

The Partnership agreement indicates that it intends to distribute 100% of the net income of the Partnership to the partners. For the year ended December 31, 2024, the Partnership declared distributions of \$0.70 per unit (2023 – \$0.76 per unit), or a total distribution amount of \$6,198 (2023 – \$6,401).

8. Related party transactions and balances

Related parties to the Partnership include the directors of the General Partner, the Master Fund, the directors of the Master General Partner, RIC and subsidiaries of RIC. RIC is related to the Partnership by virtue of a common director. As of December 31, 2024, the Partnership had the following significant related party transactions:

- A) The directors of the General Partner are also owners of RIC, which is the parent company of the Manager. Under the Capital Raising Agreement, RIC provides capital raising services to the Partnership. RIC receives fees totaling 0.25% per annum (2023 – 0.25% per annum), calculated daily and payable monthly, on the investment in the Master Fund. For the year ended December 31, 2024, the total amount was \$222 (2023 – \$210).
- B) Certain indirect owners of RIC are also investors of the Partnership. For the year ended December 31, 2024, these indirect owners of RIC held indirectly or through affiliated entities 2,852,987 units for \$28,530 (2023 – 1,342,366 units for \$13,424).
- C) The Manager, a subsidiary of RIC, handles all day-to-day affairs of the Master Fund in accordance to the service agreement. The Manager receives service fees from the Master Fund totaling 1% per annum (2023 – 1% per annum), calculated daily and payable monthly, of the principal balance of all mortgage investments (net of syndicated balances) and the fair market value of all other non-mortgage investments of the Master Fund. For the year ended December 31, 2024, the total amount of service fees allocated from the Master Fund to the Partnership was \$992 (2023 – \$906).

9. Financial instrument risk management

The Partnership is exposed in varying degrees to a variety of risks from the use of financial instruments, as well as the activities of the Master Fund (refer to the audited financial statements of the Master Fund for details). The type of risks the Partnership is exposed to, the source of risk exposure and how each is managed is outlined hereafter:

Notes to Financial Statements

Expressed in thousands of U.S. dollars, except per unit amounts, unless otherwise noted
Year ended December 31, 2024, with comparative information for 2023

A) Liquidity risk

Liquidity risk is the risk that the Partnership will not have sufficient cash to meet its obligations as they become due. Partners in the Partnership have the right to withdraw amounts from their capital accounts, subject to certain withdrawal restrictions set out in its limited partnership agreement. The General Partner may suspend or limit withdrawal rights and payment of withdrawal proceeds in certain circumstances.

B) Capital risk management

The Partnership manages capital to attain its objective of providing stable and secure cash distributions while preserving partners' capital, through its investment in the Master Fund. The Partnership intends to distribute its distributable cash to its partners. The Partnership is dependent on the capital risk management of the General Partner of the Master Fund, and the Manager, and growth in the Master Fund's underlying portfolio of mortgage loan investments can only be achieved through the subscription for additional partners' capital by investors in the Master Fund's feeder funds, including the Partnership, and by the Master Fund's usage of available borrowing capacity. The Manager and the General Partner of the Master Fund manage the Master Fund's capital to enable it to continue to meet its investment objectives and manage liquidity.

10. Contingencies

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

11. Financial highlights

Below is a summary of the Partnership's financial highlights for the year ended December 31, 2024, on a per unit basis:

	2024	2023
Per unit operating performance:		
Net asset value, beginning of year	\$ 10.00	\$ 10.00
Income from investment operations:		
Net realized and change in unrealized gain on investments	0.70	0.76
Distributions	(0.70)	(0.76)
Net asset value, end of year	\$ 10.00	\$ 10.00
Total return	7.0%	7.6%
Ratio to average net assets:		
Expenses	0.4%	0.4%
Net investment income	6.4%	7.7%

12. Subsequent events

Subsequent to the year end, 300,000 units for \$3,000 that were included in redemptions payable as of December 31, 2024 were redeemed from the Master Fund of which \$2,983 has been paid from the fund to the Limited Partners. The fund received requests to redeem 249,598 units for \$2,496. No new subscription were issued.

Please direct all inquires for information pertaining to
TIG Romspen US Master Mortgage LP to Romspen.