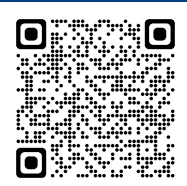




Romspen Mortgage Investment Fund

# 2025 ANNUAL REPORT



**Romspen Investment Corporation**  
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M5R 3N5  
[romspen.com](http://romspen.com)



Front & Back Cover  
Morrison Walk - North Vancouver, BC Canada  
Gardenia Walk - Greensboro, NC USA

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# About Romspen

With roots stretching back over 60 years, Romspen Investment Corporation is one of Canada's largest private commercial mortgage firms, overseeing \$2.7 billion<sup>1</sup> 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 long-term performance to investors. Our 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.

<sup>1</sup>As of December 31, 2025

**60+**

Years of Experience

**\$2.7B**

Assets Under Management

**80+**

Employees

At Romspen, our values are the foundation of everything we do. They guide our decisions, shape our culture, and drive our commitment to delivering excellence.



**Investor Value**



**Partnership**



**Commitment**



**Responsibility**



**Risk Management**



**Long-Term Perspective**

Tamiami Trail - Sarasota, FL USA



Gardenia Walk - Greensboro, NC USA

## Fund Overview

### Romspen Mortgage Investment Fund

Romspen Mortgage Investment Fund (RMIF) has a long-term track record of mortgage investing and oversees \$2.6 billion<sup>1</sup> of assets, specializing in strategic short-term commercial mortgages in Canada and US.



### Fund Objective

The Fund's investment mandate is capital preservation, steady 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 invests in a diversified pool of first mortgage loans secured by real estate assets across North America. Our investments are typically unconventional, complex, and illiquid, requiring a high degree of structuring expertise and active oversight. The Fund has a conservative balance sheet, and avoids the use of structural leverage to enhance returns. We manage the portfolio patiently and prudently, supported by disciplined execution and a consistent focus on capital protection.

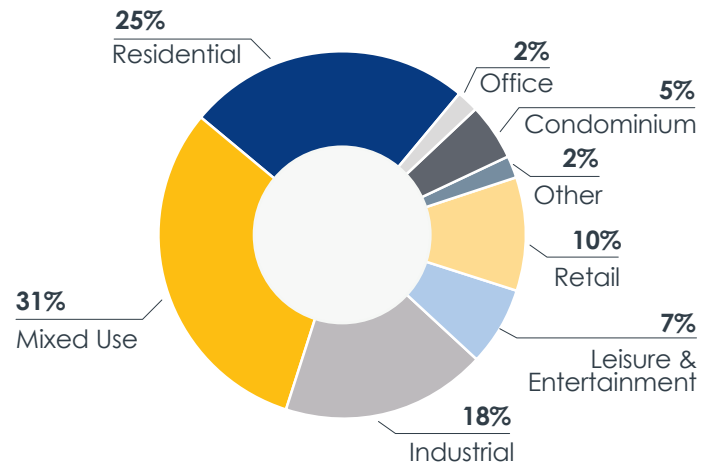
<sup>1</sup>As of December 31, 2025

# 2025 Highlights

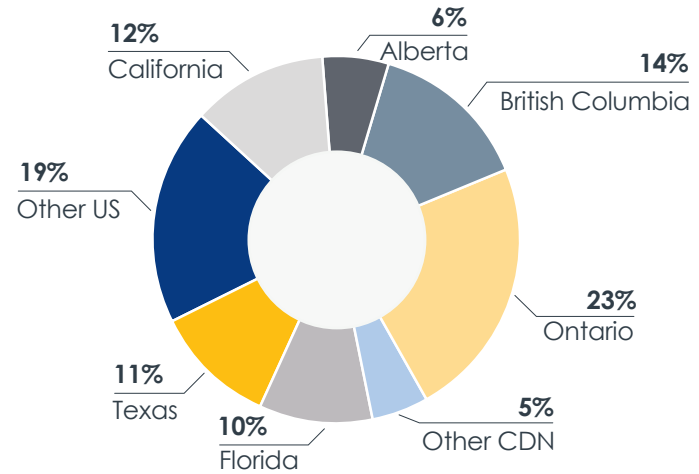
## Investment Portfolio Profile

As of December 31, 2025

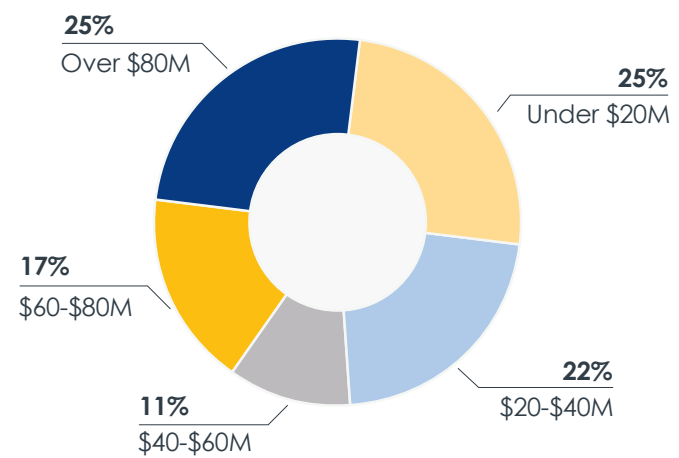
### By Type



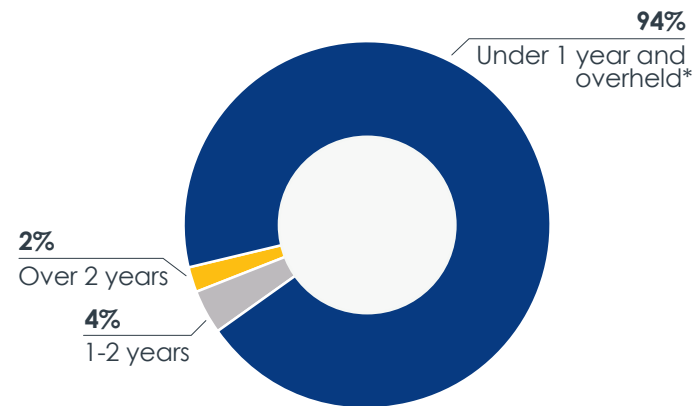
### By Geography



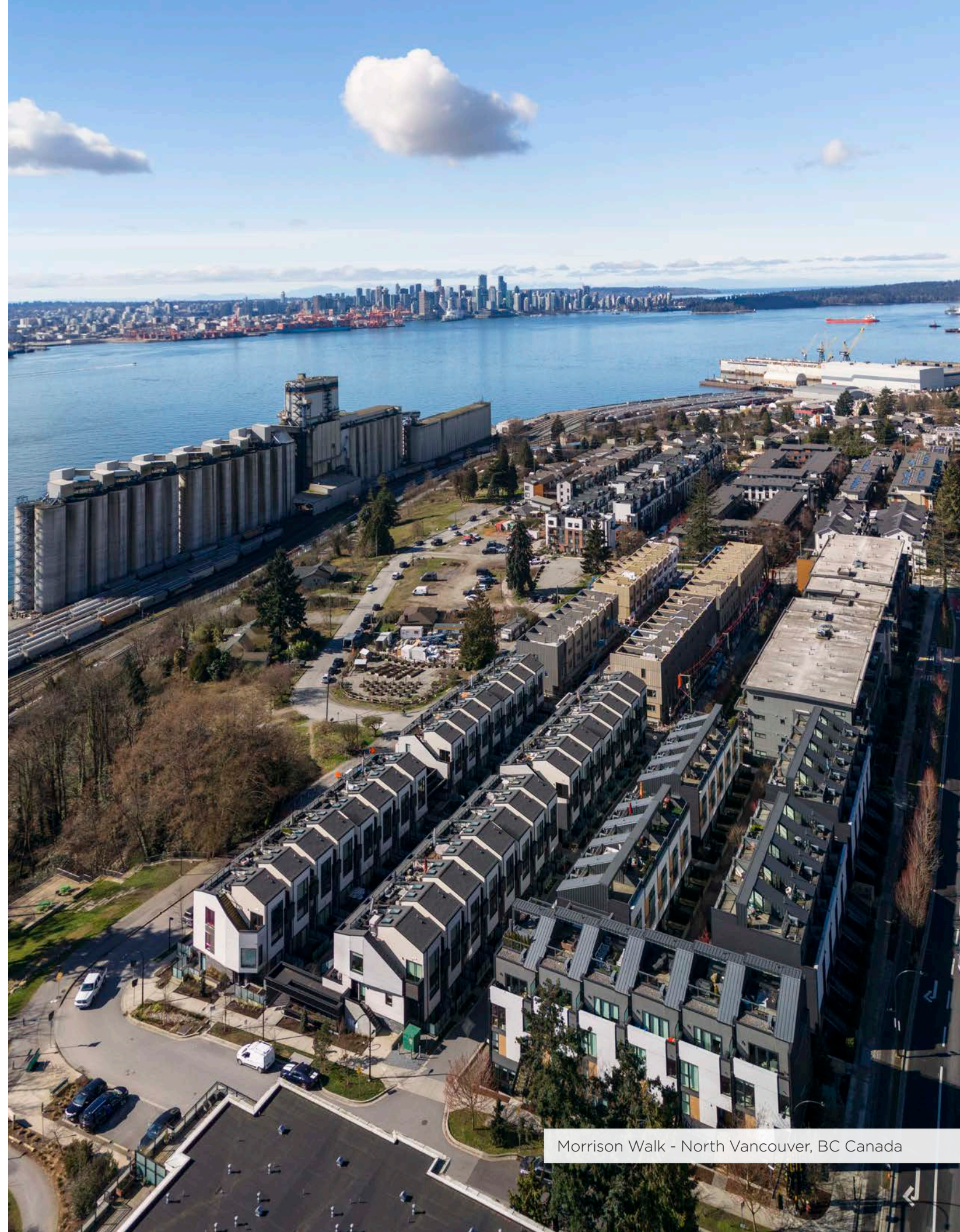
### By Amount



### By Maturity



\*Overhld loans represent loans held beyond their contractual maturity or on a month to month arrangement. Their holding period may extend beyond one year.

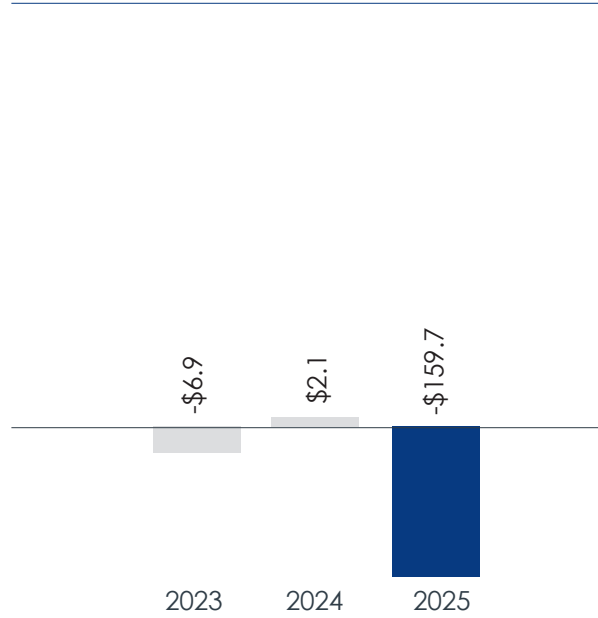


Morrisson Walk - North Vancouver, BC Canada

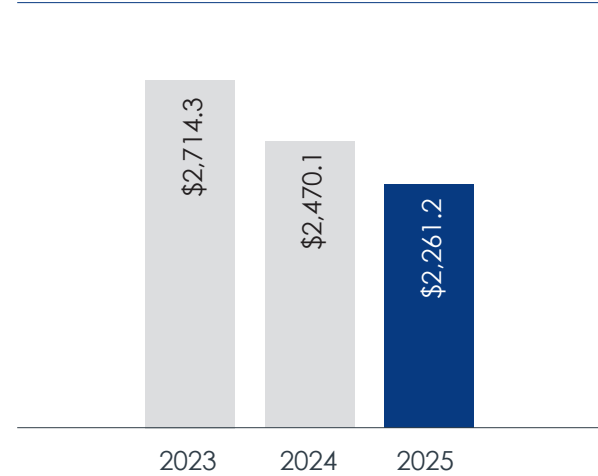
# 2025 Highlights

## Key Metrics

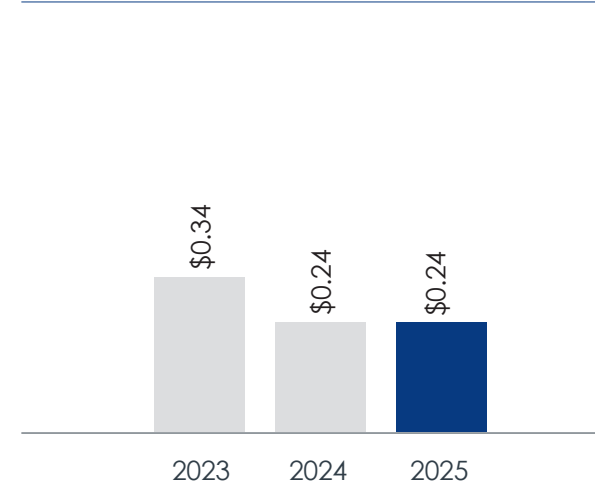
**Net Earnings (Loss)**  
(\$ millions)



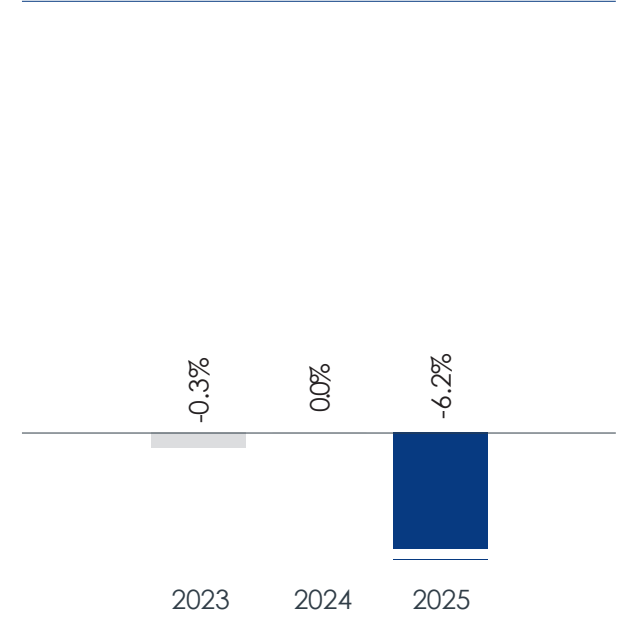
**Net Investment Portfolio**  
(\$ millions)



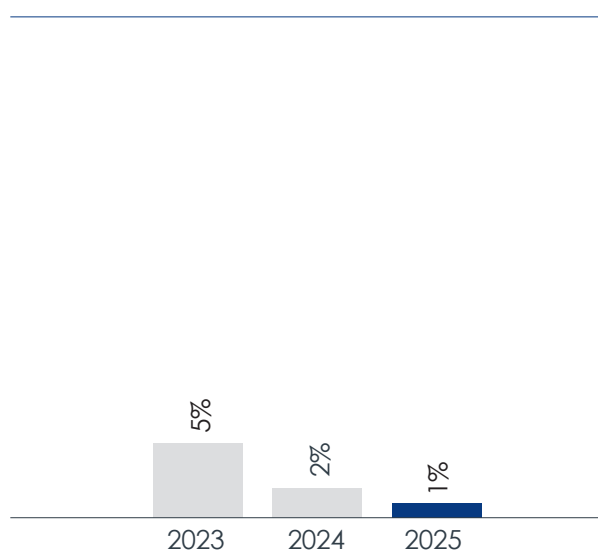
**Unitholder Distributions**  
(\$/unit)



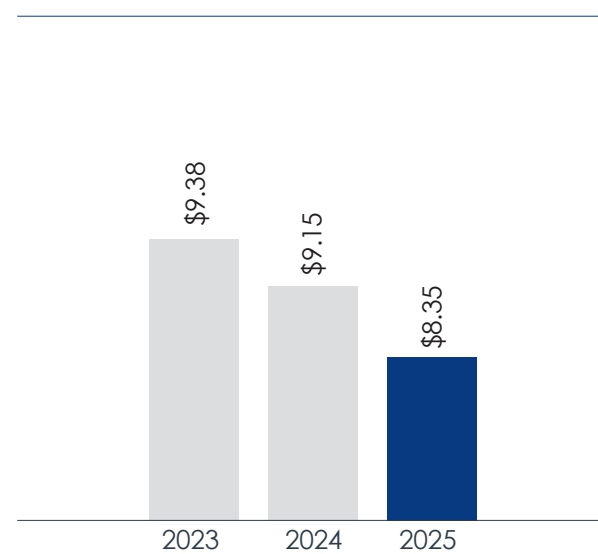
**Unitholder Return<sup>1</sup>**



**Net Leverage**  
(% of net investment portfolio)

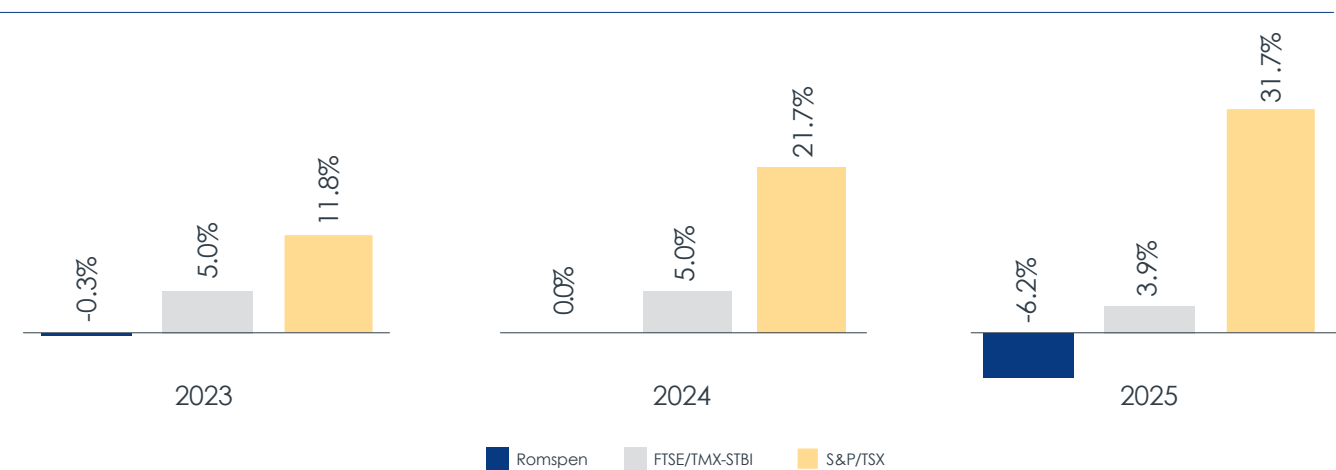


**Net Asset Value**  
(\$/unit)



## Comparative Performance

Annual % Return<sup>1</sup>



## 5 Year Cumulative Compound Returns

Romspen	7%
FTSE/TMX-STBI	10%
S&P/TSX	111%

<sup>1</sup>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:

The Fund's financial performance for 2025 reflects the continued impact of challenging market conditions and the Fund's focus on asset resolution and capital protection. Unitholder distributions for the year were consistent with a year ago, but continue to be lower than the Fund's historical norms.

## Financial Highlights

For the year ended December 31, 2025, the Fund's net loss was \$159.7 million (\$0.56 per unit), compared to net income of \$2.1 million (\$0.01 per unit) in 2024. Distributions were \$68.5 million (\$0.24 per unit) and the compounded net return to unitholders was -6.2 per cent in 2025, compared to \$68.2 million (\$0.24 per unit) and Nil per cent in 2024. Fund distributions for the year were characterized as a non-taxable return of capital. Actual losses of \$8.7 million, across 3 mortgage loans, were realized during the year.

At year-end, the net portfolio totaled \$2.3 billion, comprising of 97 mortgages and investments representing a decrease of 8% compared to 2024. Unitholders' capital totaled \$2.4 billion, a decrease of 8.6% compared to \$2.6 billion in 2024. The Fund's portfolio and earnings remain well diversified by property type, geography, size and currency. Net debt (debt less unrestricted cash) was \$26.7 million, or 1.2% of the net portfolio value, compared to \$60.2 million, or 2.4% of the net portfolio value in 2024. The weighted average interest rate of the portfolio was 9.0% in 2025 compared to 9.2% last year. The weighted average interest rate on performing loans was 12.2% (2024 – 12.3%).

The Fund's NAV was \$8.35 per unit compared to \$9.15 per unit in 2024.

Approximately 71% (2024 – 67%) of the Fund's US dollar exposure is hedged 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. 21-30). We suggest that these

financial statements in the MD&A be used as the primary reference point.

## Economy, Markets & Portfolio

During 2025, the operating environment for the Fund's portfolio was shaped by constrained liquidity, limited refinancing options for borrowers and longer execution timelines. Transaction activity in the markets in which the Fund operates remained muted. Improved price discovery later in the year did not translate into a corresponding uptick in loan or asset exits, as liquidity across real estate markets remained uneven and episodic.

Portfolio performance reflected increasingly differentiated outcomes at the asset and borrower level. Multi-family exposures generally demonstrated relative stability, supported by rental demand and limited new supply, although results varied by sub-market. Industrial assets remained resilient in many cases but began to normalize in certain locations that had previously benefited from strong growth. Office-related exposures continued to require active management, with outcomes largely dependent on asset quality, location and capital requirements. Single-family residential development and land-related investments remained capital-constrained, with slower absorption and fewer viable take-out options extending timelines, with the Carolinas being a notable exception.

Credit conditions had a direct impact on borrower behavior. Loan repayments were more limited than in a normalized environment, and refinancing activity remained subdued, with borrower engagement increasingly focused on term extensions and other accommodations. While the Fund continued to work constructively with borrowers where appropriate, selective enforcement actions were undertaken to protect unitholder capital.

The Fund operated under liquidity constraints for much of 2025, which limited new loan origination and required disciplined capital allocation among existing commitments and asset management initiatives. Liquidity conditions improved in the middle of the year, but declined modestly year over year, and are adequate as we enter 2026. Across the portfolio, outcomes were increasingly sub-market-specific, reinforcing the importance of active asset management, conservative underwriting, clear exit paths and sponsor and counter-party selection.

Canadian mortgage loans and investments comprised \$1.2 billion, or 48% of the portfolio,

compared to \$1.2 billion (45%) in 2024. The Canadian portfolio includes 45 mortgage loans, with the largest concentrated in Ontario (23%) and British Columbia (14%). US mortgage loans and investments totaled \$1.3 billion (US \$1.0 billion), or 52% of the portfolio, compared to \$1.5 billion (US \$1.0 billion) and 55% last year. The US portfolio includes 52 mortgage loans spread across 18 states, with an emphasis on California (12%), Texas (11%) and Florida (10%).

As a percentage of the overall portfolio, loans under review were higher than the Fund's typical historic range at 54%, compared to 42% a year ago, 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 23% of the portfolio in 2025, compared to 20% in 2024.

Since inception, the Fund has maintained a low realized loss history, at around \$144.3 million on \$10.0 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 liquidity, 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 the Fund's long-term track record since inception.

## Outlook

Looking ahead to the balance of 2026, especially with the situation in the Middle East and the renegotiation of CUSMA, we expect that macroeconomic and geopolitical uncertainty will remain defining features of North American real estate and real estate credit markets. Escalating geopolitical tensions, persistent trade and tariff concerns, rising government debt levels and elevated market volatility, including private credit liquidity concerns, continue to complicate the economic outlook. These factors are increasingly feeding directly into inflation expectations, interest rate volatility and capital allocation decisions, rather than merely influencing sentiment. Many observers continue to assess the risk of stagflationary conditions, characterized by slowing growth alongside sustained inflationary pressures, which could constrain the pace and extent of monetary easing even as economic momentum softens.

Borrowing rates have remained stubbornly elevated, with declines in policy rates not yet translating into meaningful relief at the longer end of the yield curve. As a result, exit visibility—rather than valuation alone—has emerged as a significant constraint across many real estate markets. Volatility has been unusually pronounced, and real estate investors and lenders have responded by delaying transactions, reducing risk exposure and demanding greater certainty around execution. This has led to fewer exits, fewer refinancings and lower transaction velocity, even in sectors where fundamentals have shown relative resilience.

Performance across real estate markets remains highly differentiated. Asset classes aligned with longer-term secular trends, including housing, data centres, senior housing and medical uses, continue to demonstrate relative strength, supported by constrained supply and durable demand. New Ontario and federal government initiatives to broaden HST rebates and reduce development charges should have a positive effect on Ontario new housing activity at the margin. However, even some regions and sectors that had previously shown resilience, such as Florida, have experienced a moderation in activity, reinforcing the importance of local market dynamics and asset-specific underwriting. Credit markets remain selective but constructive, with private lenders continuing to play

a critical role in providing transitional and bespoke financing solutions amid conservative bank lending and ongoing maturity pressures.

The Fund's capital resources remain adequate to support its objectives through this environment. Management intends to continue allocating capital prudently, including selectively originating a modest number of new loans where risk-adjusted returns and exit visibility are compelling, honoring existing commitments, advancing real estate assets toward eventual disposition. Providing liquidity to unitholders remains a key priority, requiring careful balancing of redemption requests, funding obligations and portfolio risk management in an environment where volatility and exit uncertainty are elevated. We continue to actively pursue a meaningful unitholder liquidity transaction. Additionally, we would like to thank the newly-instituted Advisory Committee for its contributions during the year and look forward to keeping you apprised of its efforts.

Thank you for your continued support.

Sheldon Arthur Wesley Mark Paras  
Esbin Resnick Roitman Hilson Dharamshi

Trustees of the Fund  
April 24, 2026



Lake Mead Crossing Parcels - Henderson, NV USA

# Morrison Walk

North Vancouver, British Columbia, Canada  
Construction Financing  
Loan Amount: \$69,000,000 CAD

Morrison Walk is a 70-unit stacked townhouse development in the Lower Mainland, comprising five wood-frame buildings over a two-level parkade. Romspen provided construction financing to an experienced local developer with a proven construction track record on the same block. The project benefits from demonstrated market demand, with units pre-sold at strong pricing supported by meaningful deposits. Construction is delivered under a fixed-price contract with bonded trades, reducing execution risk. The loan is expected to be repaid through unit sales upon project completion.



# Lake Mead Crossing Parcels

Henderson, Nevada, USA

Term Loan

Loan Amount: \$8,400,000 USD

Lake Mead Crossings Parcels consist of remaining retail land within a Target-anchored shopping centre. Romspen's term loan supported the recapitalization of a well-established retail development with a ten-year operating history. The investment is underpinned by an experienced sponsor, strong in-place tenancy, and recent comparable sales within the project, alongside a presale validating residual land value. Repayment is anticipated through parcel sales and continued leasing activity within the centre.



# Gardenia Walk

Greensboro, North Carolina, USA

Subdivision Development

Loan Amount: \$45,800,000 USD

Gardenia Walk is a 175-acre master-planned community approved for 499 single-family and townhouse lots. Romspen provided a phased land development facility supported by a binding lot purchase agreement with a national homebuilder, ensuring scheduled absorption of finished lots. The investment benefits from strong sponsor experience, pre-arranged takeout demand, and additional scale through cross-collateralization with a nearby affiliated development. The project is positioned to deliver stabilized serviced lots into an active housing market, with repayment driven by ongoing lot sales.



# Tamiami Trail

Sarasota, Florida, USA

Acquisition Financing

Loan Amount: \$10,475,000 USD

The Tamiami Trail investment comprises a 3.5-acre assembled city block, including a commercial property and adjacent hotel site. Romspen provided acquisition financing to consolidate the asset and position it for rezoning into a higher-density mixed-use residential development. The loan is secured by both the Sarasota site and additional land holdings in Cape Coral, providing diversified collateral coverage. Value is expected to be realized through entitlement advancement and a strategic disposition of the assembled site.



# 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, 2025, included herein and the audited financial statements and MD&A for the year ended December 31, 2024. 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](http://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, 2025.

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 Continuous Disclosure Obligations. Forward-looking statements are typically identified by words such as "believe", "expect", "anticipate", "estimate", "plan", "may" and "could", or other similar expressions. By their very nature, these statements require management to make assumptions and are subject to inherent risks and uncertainties, general and specific, which may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These risks and uncertainties include, but are not limited to, global capital markets activity, changes in government

monetary and economic policies, changes in interest rates, changes in foreign exchange rates, inflation levels and general economic conditions, legislative and regulatory developments, disruptions resulting from the outbreak of pandemics, competition and technological change.

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

## Non-IFRS Financial Measures

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

## Introduction

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

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

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

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

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](http://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, 2025, the Fund's mortgage and investment portfolio (the "Portfolio"), net of fair value provisions, was \$2.3 billion, compared to \$2.5 billion a year ago. The Portfolio included 97 mortgages and investments, compared to 99 at the same time last year.

Approximately 94% of the Portfolio was invested in first mortgages on December 31, 2025 (2024 - 98%). The weighted average interest rate of the mortgage loans in the Portfolio was 9.0%, compared to 9.2% a year ago. The weighted average interest rate on performing loans was 12.2% (2024 - 12.3%).

The Portfolio continues to consist mainly of short-term mortgages to third parties and mortgages to the Fund's subsidiaries, including

mortgages that are past their contractual maturity dates. Approximately 94% of the Portfolio's investments mature within one year (2024 - 96%) and 98% mature within two years (2024 - 100%). In addition, all our mortgages are open for repayment prior to maturity.

As of December 31, 2025, approximately 23% of the Fund's investments were in Ontario (2024 - 24%). Approximately 20% of the Portfolio was invested in Western Canada (2024 - 17%), 5% in other provinces (2024 - 4%) and 52% in the US (2024 - 55%). 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, 2025, were \$488.9 million, of which \$230.9 million was provided against the Accrued Interest Receivables. The allocation of fair value provisions reflects management's updated assessment of recoverability across the portfolio, including circumstances where accrued interest (over and above accrued interest already recovered) is considered less likely to be realized relative to principal, rather than the collection of previously accrued amounts. The remaining fair value provisions of \$258.0 million represent 13.4% of the original cost of the Fund's investment in mortgages and subsidiaries. Total fair value provisions represent \$1.71 per unit outstanding as of December 31, 2025. During 2025, the Fund realized \$8.7 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, 2025, with comparative information for 2024

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)	2025	2024
<b>Assets</b>		
Cash and cash equivalents	\$ 131,884	\$ 161,517
Accrued interest receivable	87,005	173,193
Mortgage investments	1,276,160	1,398,249
Investment in subsidiaries	386,010	436,359
Investment in TIG Romspen US Master Mortgage LP	650,694	688,135
Other assets	21,617	38,459
Restricted cash	5,519	-
	<b>\$ 2,558,889</b>	<b>\$ 2,895,912</b>
<b>Liabilities and Unitholder's Equity</b>		
Term credit facility	\$ 155,037	\$ 215,391
Accounts payable and accrued liabilities	5,665	6,119
Foreign exchange forward contracts	10,562	61,782
Distributions payable	5,783	5,770
	<b>177,047</b>	<b>289,062</b>
Units submitted for redemption	652,897	670,572
Unitholder's equity	1,728,945	1,936,278
	<b>\$ 2,558,889</b>	<b>\$ 2,895,912</b>

Non-IFRS financial information

## Combined Statements of Earnings

Year ended December 31, 2025, with comparative information for 2024

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)	2025	2024
<b>Investment Income</b>		
Mortgage interest and income from subsidiaries	\$ 40,701	\$ 132,941
Income from Investment in TIG Romspen US Master Mortgage LP	33,641	40,545
Interest income from loan to TIG Romspen US Master Mortgage LP	5,944	6,966
Other	8,751	6,310
	<b>89,037</b>	<b>186,762</b>
<b>Expenses</b>		
Management fees	19,626	21,770
Financing costs	27,169	30,336
Change in fair value of accrued interest receivable, mortgage investments and investment in subsidiaries	143,115	92,773
Realized loss on mortgage investments	8,663	68,333
Other losses	1,394	42
Audit fees	600	728
Legal fees and other	3,098	3,097
	<b>203,665</b>	<b>217,079</b>
(Loss) gain on foreign exchange	<b>(45,032)</b>	<b>32,399</b>
Net (loss) earnings	\$ (159,660)	\$ 2,082
Net (loss) earnings per unit	\$ (0.56)	\$ 0.01

Non-IFRS financial information

## Combined Statement of Changes in Unitholders' Equity

Year ended December 31, 2025, with comparative information for 2024

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)	2025	2024
<b>Unit capital</b>		
Balance, beginning of year	\$ 2,189,799	\$ 2,334,363
Issuance of units	12,766	16,101
Redemption of units	(9,637)	-
Reduction (increase) in units submitted for redemption	17,675	(160,665)
Balance, end of year	\$ 2,210,603	\$ 2,189,799
<b>Cumulative earnings</b>		
Balance, beginning of year	\$ 1,664,022	\$ 1,661,940
Net (loss) earnings	(159,660)	2,082
Balance, end of year	\$ 1,504,362	\$ 1,664,022
<b>Cumulative distributions to unitholders</b>		
Balance, beginning of year	\$ (1,917,543)	\$ (1,849,328)
Distributions to unitholders	(68,477)	(68,215)
Balance, end of year	\$ (1,986,020)	\$ (1,917,543)
Unitholders' equity	\$ 1,728,945	\$ 1,936,278
Units issued and outstanding, excluding units submitted for redemption	206,836,533	211,549,309

Non-IFRS financial information

## Combined Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

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)	2025	2024
<b>Cash provided by (used in):</b>		
<b>Operations</b>		
Net (loss) earnings	\$ (159,660)	\$ 2,082
Adjustments for:		
Receipt of interest previously capitalized	1,137	11,369
Foreign exchange loss (gain)	45,032	(32,399)
Items not affecting cash:		
Amortization of financing cost	4,552	3,203
Change in fair value of accrued interest receivable, mortgage investments, and investment in subsidiaries	143,115	92,773
Non-cash income from investment in TIG Romspen US Master Mortgage LP	2,643	(2,651)
Realized loss on mortgage investments and investment in subsidiaries	8,663	68,333
Realized gain on foreign exchange excluding foreign exchange forward contracts	8,801	23,460
Other losses	1,394	42
Interest capitalized to mortgage investments	(1,119)	(7,350)
Change in non-cash operating items:		
Accrued interest receivable	(4,604)	(74,865)
Other assets	89	1,147
Accounts payable and accrued liabilities	(447)	(323)
	49,596	84,821
Funding of mortgage investments	(217,898)	(201,090)
Discharge of mortgage investments	316,144	403,347
Net discharge of investment in subsidiaries	1,623	2,129
Net funding of investment and loan to TIG Romspen US Master Mortgage LP	(17,882)	(48,765)
Change in Restricted cash	(5,519)	-
	126,064	240,442
<b>Investing</b>		
Net payment (realized loss) on maturity of foreign exchange forward contracts	(21,159)	(26,026)
	(21,159)	(26,026)
<b>Financing</b>		
Proceeds from issuance of units	-	174
Distributions paid to unitholders	(55,698)	(52,210)
Redemption of Run-Off Pool units	(9,637)	-
Change in revolving loan facility	-	(153,300)
Change in term credit facility	(63,126)	221,720
Financing costs paid	(2,210)	(9,578)
Mortgage Investment Syndications	-	(85,003)
	(130,671)	(78,197)
(Decrease) increase in cash	(25,766)	136,219
Net foreign exchange (loss) gain on cash accounts	(3,867)	-
Cash, beginning of year	161,517	25,298
Cash, end of year	\$ 131,884	\$ 161,517

## Quarterly Financial Information 2025

Detailed financial information by quarter for 2025 is outlined in the table below:

(In millions of dollars, except per unit amounts)

	Dec. 31	Sept. 30	Jun. 30	Mar. 31
Total investment income excluding foreign exchange gain (loss)	\$ 12.7	\$ 20.5	\$ 24.6	\$ 31.2
interest expense and deferred financing costs	(6.5)	(6.7)	(6.8)	(7.2)
Net interest income	6.2	13.8	17.8	24.0
Management fees and other expenses	6.0	5.5	5.6	6.2
Fair value provision on investment portfolio and losses	113.8	19.8	4.5	5.0
Realized losses on investment portfolio	3.6	(0.2)	(0.3)	5.6
Other (gains) losses	0.3	0.5	0.3	0.3
Income before foreign exchange	(117.5)	(11.8)	7.7	6.9
Foreign exchange gain (loss)	(10.4)	3.1	(33.7)	(4.0)
Net (loss) earnings	(127.9)	(8.7)	(26.0)	2.9
Per Unit - net (loss) earnings	\$ (0.45)	\$ (0.03)	\$ (0.09)	\$ 0.01
- distributions	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06
Trailing 12-month compounded return (loss) <sup>1</sup>	-6.2%	-3.0%	-2.8%	-1.2%
Debt net of cash as a percentage of net mortgages <sup>1</sup>	0.9%	-2.2%	2.2%	3.0%

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

## 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, 2025
Guild	100%	Office complex	CA	29,838
Aspen Lakes	100%	Residential development	CA	2,916
Almonte	50%	Retail plaza	CA	6,076
Liberty Ridge	100%	Residential subdivision	CA	69,562
Planetwide	100%	Land for residential development	CA	4,808
Royal Oaks	100%	Residential subdivision	CA	18,983
Haldimand	100%	Landfill	CA	30,920
High Street	100%	Commercial/Residential	CA	19,364
Egreen	100%	Land for industrial development	CA	3,917
Big Nob	100%	Land for residential development	CA	3,307
Midland	100%	Land for residential development	CA	5,892
Langford Lake	100%	Land for residential development	CA	44,626
Ponderosa	80%	Land for residential development	CA	34,699
Drought	100%	Land for residential development	CA	11,701
Northern Premier	100%	Land for industrial development	CA	10,313
Southpoint Landing	100%	Residential	CA	1,266
RIC Hampton Inc.	100%	Commercial	CA	9,661
Environmaster	100%	Environment and recycling	CA	25,303
Kawartha Downs	100%	Leisure and entertainment	CA	31,182
Nisku	100%	Industrial predevelopment	CA	19,470
St Catherine	100%	Vacant land	CA	21,892
St Joseph Blvd	100%	Condo development	CA	40,912
			\$	446,608
		Fair value adjustment		(60,598)
			\$	386,010

Controlled subsidiaries that are owned by the General Partner of the Fund and not directly by 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 maximizing the return to investors, which may involve, but not specifically require, the advancement of additional funds from the Fund. As at December 31, 2025, there are sixteen (2024 – fifteen) mortgage investments to related party subsidiaries with a fair value of \$370,323 (2024 – \$393,951). Further details regarding related party mortgage investments can be found in Note 8 of the financial statements.

## Income Statement Highlights

Total investment income for the year ended December 31, 2025 were \$89.0 million compared to \$186.8 million in the previous year. For the year ended December 31, 2025, the Partnership recognized \$nil (2024 - \$36,033) of interest income that was previously deemed uncollectible.

The Fund reported a net loss of \$159.7 million for the year compared to \$2.1 million net income last year. The basic weighted average loss per unit for the year were \$0.56 per unit compared to basic weighted average income per unit of \$0.01 last year.

For the year ended December 31, 2025, the Fund declared distributions of \$68.5 million or \$0.24 per unit, compared to \$68.2 million or \$0.24 per unit last year. The simple and compounded net loss to unitholders for the year ended December 31, 2025, was 6.32% and 6.24% respectively.

Fair value adjustments on the portfolio increased expenses by \$143.1 million during the year. Realized losses totaled \$8.7 million, down from \$68.3 million in the prior year.

Management and other fees payable to the Fund Manager and other general and administrative expenses of the Fund were \$23.3 million for the year ended December 31, 2025, compared to \$25.6 million in the prior year.

Total investment income for the quarter ended December 31, 2025, was \$12.8 million compared to \$74.1 million in the fourth quarter of 2024. For the quarter ended December 31, 2025, the Partnership recognized \$nil (2024 - \$36,033) of interest income that was previously deemed uncollectible.

Net loss after all expenses for the fourth quarter was \$127.9 million compared to net loss of \$47.1 million for the quarter ended December 31, 2024. Basic weighted average loss per unit for the three months ended December 31, 2025, was \$0.45 compared to \$0.17 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, same as in the fourth quarter of 2024.

For the three-month period ended December 31, 2025, the Fund distributed \$17.1 million or \$0.06 per unit, same as for the three months ended December 31, 2024.

## Balance Sheet Highlights

Total assets as of December 31, 2025 were \$2.6 billion, compared to \$2.9 billion 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, investment in subsidiaries and accrued interest receivable recorded at fair market value. The Fund also held \$131.9 million in cash at year-end.

Total liabilities excluding units submitted for redemption as of December 31, 2025 were \$177.0 million compared to \$289.1 million a year earlier. Liabilities at the end of the year were comprised mainly of \$155.0 million term credit facility. Borrowings from the term credit facility, together with loan repayments, are used to fund additions to the Portfolio.

Net debt (term credit facility less unrestricted cash) was \$26.7 million, representing 1.2% of the net book value of the portfolio, compared to \$60.2 million (2.4% of the net portfolio) a year ago.

Unitholders' equity plus units submitted for redemption as of December 31, 2025 totaled \$2.4 billion, compared to \$2.6 billion last year. There was a total of 285,315,861 units outstanding on December 31, 2025 compared to 285,003,255 on December 31, 2024. 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, 2025, borrowings totaled approximately 7% of the book value of investments held by the Fund, compared to 9% as of December 31, 2024.

During the year ended December 31, 2025, the Fund's proceeds of issuance of units, net of redemption of units, was \$3.1 million, compared to \$16.1 million same period in 2024. Redemption of units were \$9.6 million (nil – 2024), all of which were for the Run-Off Pool.

## Related Party Transactions

Romspen acts as the mortgage manager for the Partnership and administrator for the Fund. 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 value of any non-mortgage investments.

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

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

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

## Risk Management

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

## Outlook

As discussed in the Trustees' Letter, real estate and real estate credit markets continue to operate in an environment marked by elevated macroeconomic uncertainty, heightened volatility and constrained liquidity. While valuation stabilization has emerged in certain sectors, longer-term interest rates and reduced exit visibility continue to weigh on refinancing activity and transaction volumes. Market conditions remain highly asset- and sub-market-specific, with outcomes driven by asset quality, location and quality of sponsorship.

The Fund continues to have acceptable liquidity and expects to use its capital resources to meet ongoing commitments to real estate assets, make staged advances on construction and development loans, provide liquidity to unitholders when possible, and selectively originate a modest number of high-quality new loans. Management remains focused on disciplined capital allocation, active asset management and prudent risk management as the Fund navigates the balance of 2026.

# Financial Statements

## Romspen Mortgage Investment Fund

And Independent Auditor's Report thereon

Year ended December 31, 2025



Gardenia Walk - Greensboro, NC 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, 2025
- the statement of net (loss) income and comprehensive (loss) income 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, 2025, 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 "2025 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 "2025 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.



Chartered Professional Accountants, Licensed Public Accountants  
Toronto, Canada  
April 13, 2026

## Statement of Financial Position

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
December 31, 2025, with comparative information for 2024

	2025	2024
<b>Assets</b>		
Cash	\$ 143	\$ 128
Investment in Romspen Mortgage Limited Partnership, at fair value through profit or loss (note 3)	2,388,297	2,612,963
Other assets	3	-
	<b>\$ 2,388,443</b>	<b>\$ 2,613,091</b>
<b>Liabilities and Net Assets Attributable to Unitholders</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 818	\$ 471
Unitholders' distributions payable	5,783	5,770
	<b>6,601</b>	<b>6,241</b>
Net assets attributable to unitholders	<b>2,381,842</b>	<b>2,606,850</b>
	<b>\$ 2,381,842</b>	<b>\$ 2,606,850</b>
<b>Net assets attributable to unitholders represented by:</b>		
Fund unitholders (note 4)	\$ 2,210,603	\$ 2,189,799
Fund units submitted for redemption (note 4)	557,839	554,841
Run-Off Pool unitholders (note 4)	95,058	115,731
Cumulative earnings	1,504,362	1,664,022
Cumulative distributions	(1,986,020)	(1,917,543)
	<b>\$ 2,381,842</b>	<b>\$ 2,606,850</b>
Net asset value per Fund unit (note 5)	\$ 8.36	\$ 9.15
Net asset value per Run-Off Pool unit (note 5)	8.09	9.02

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 (Loss) Income and Comprehensive (Loss) Income

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025, with comparative information for 2024

	2025	2024
<b>Income from investment in Romspen Mortgage Limited Partnership:</b>		
Distributions from Romspen Mortgage Limited Partnership	\$ 64,007	\$ 61,415
Unrealized depreciation in net assets of Romspen Mortgage Limited Partnership (note 3)	(215,029)	(50,271)
	<b>(151,022)</b>	<b>11,144</b>
<b>Fund income:</b>		
Other	11	-
	<b>(151,011)</b>	<b>11,144</b>
<b>Expenses:</b>		
Management fees (note 8(a))	6,477	7,184
Audit fees	600	778
Legal fees and other	1,572	1,100
	<b>8,649</b>	<b>9,062</b>
Net (loss) income and comprehensive (loss) income	<b>\$ (159,660)</b>	<b>\$ 2,082</b>
Net (loss) income and comprehensive (loss) income per Fund unit (note 5)	<b>\$ (0.55)</b>	<b>\$ 0.01</b>
Net (loss) income and comprehensive (loss) income per Run-Off Pool unit (note 5)	<b>(0.67)</b>	<b>0.00</b>
Weighted average number of Fund units issued and outstanding (note 5)	<b>272,989,687</b>	271,395,695
Weighted average number of Run-Off Pool units issued and outstanding (note 5)	<b>12,341,734</b>	12,834,502

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, 2025, with comparative information for 2024

	2025	2024
<b>Fund unit capital:</b>		
Balance, beginning of year	\$ 2,189,799	\$ 2,334,363
Issuance of units (note 4)	12,766	16,101
Net decrease (increase) in units submitted for redemption	8,038	(160,665)
Balance, end of year	\$ 2,210,603	\$ 2,189,799
Fund units submitted for redemption, end of year	\$ 557,839	\$ 554,841
<b>Run-Off Pool unit capital:</b>		
Balance, beginning of year	\$ 115,731	\$ 119,873
Fair market value adjustment (note 4(i))	(11,036)	(4,142)
Redemption of Run-Off Pool units	(9,637)	-
Balance, end of year	\$ 95,058	\$ 115,731
<b>Cumulative earnings to all unitholders:</b>		
Balance, beginning of year	\$ 1,664,022	\$ 1,661,940
Net (loss) income and comprehensive (loss) income	(159,660)	2,082
Balance, end of year	\$ 1,504,362	\$ 1,664,022
<b>Cumulative distributions to all unitholders:</b>		
Balance, beginning of year	\$ (1,917,543)	\$ (1,849,328)
Distributions to unitholders (note 6) <sup>(1)</sup>	(68,477)	(68,215)
Balance, end of year	\$ (1,986,020)	\$ (1,917,543)
Net assets attributable to unitholders	\$ 2,381,842	\$ 2,606,850
<b>Units issued and outstanding:</b>		
Fund units	206,836,533	211,549,309
Fund units submitted for redemption	66,735,149	60,619,444
Run-Off Pool units	11,744,179	12,834,502
Total units issued and outstanding	285,315,861	285,003,255

<sup>1</sup>Included in total distributions is amount for Run-Off Pool unitholders of \$2,963 (2024 - \$3,080).

See accompanying notes to financial statements.

## Statement of Cash Flows

(In thousands of dollars)  
Year ended December 31, 2025, with comparative information for 2024

	2025	2024
<b>Cash provided by (used in):</b>		
<b>Operations:</b>		
Net (loss) income and comprehensive (loss) income	\$ (159,660)	\$ 2,082
Item not affecting cash:		
Change in net assets of Romspen Mortgage Limited Partnership (note 3)	215,029	50,271
Change in non-cash operating items:		
Other assets	(3)	-
Accounts payable and accrued liabilities	347	(300)
	55,713	52,053
<b>Financing:</b>		
Proceeds from issuance of Fund units (note 4)	-	174
Redemption of Run-Off Pool units (note 4)	(9,637)	-
Distributions to unitholders (note 6)	(55,698)	(52,210)
	(65,335)	(52,036)
<b>Investments:</b>		
Return of capital investment in the Partnership	9,637	-
Increase in cash	15	17
Cash, beginning of year	128	111
Cash, end of year	\$ 143	\$ 128

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, 2025

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, 2025, the Partnership indirectly owns 81.23% (2024 - 78.14%) 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 13, 2026.

## 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, 2025 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 (loss) income and comprehensive (loss) income 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, 2025

## 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 Romspen Mortgage Limited Partnership	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Unitholders' distributions payable	Amortized cost
Other Assets	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:

	2025	2024
Investment balance, beginning of year	\$ 2,612,963	\$ 2,663,234
Return of capital investment in the Partnership	(9,637)	-
Change in net assets of the Partnership	(215,029)	(50,271)
Investment balance, end of year	\$ 2,388,297	\$ 2,612,963

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

### 3. Supplemental information regarding Partnership at FVTPL:

The Partnership's non-consolidated statements of financial position, non-consolidated statement of comprehensive (loss) 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:

	2025	2024
<b>Assets</b>		
Cash and cash equivalents	\$ 131,741	\$ 161,389
Accrued interest receivable (note 3(a)(v))	87,005	173,193
Mortgage investments (note 3(b))	1,276,160	1,398,249
Investment in subsidiaries (note 3(c))	386,010	436,359
Investment in USMLP (note 3(d))	650,694	688,135
Other assets	21,614	38,459
Restricted cash (note 3(a)(x))	5,519	-
	<b>\$ 2,558,743</b>	<b>\$ 2,895,784</b>
<b>Liabilities and Unitholders' Capital</b>		
Liabilities:		
Term credit facility (note 3(f))	\$ 155,037	\$ 215,391
Accounts payable and accrued liabilities	4,847	5,648
Foreign exchange forward contracts (note 3(g))	10,562	61,782
	<b>170,446</b>	<b>282,821</b>
Fair value of net assets attributable to unitholders of the Partnership	<b>2,388,297</b>	<b>2,612,963</b>
	<b>\$ 2,558,743</b>	<b>\$ 2,895,784</b>

#### Non-consolidated statement of comprehensive (loss) income on a fair value basis:

	2025	2024
<b>Investment income:</b>		
Mortgage interest	\$ 38,143	\$ 123,825
Income from subsidiaries	2,558	9,116
Income from investment in USMLP (note 3(d))	33,641	40,545
Interest income from loan to USMLP (note 3(d))	5,944	6,966
Other	8,740	6,310
	<b>89,026</b>	<b>186,762</b>
<b>Expenses:</b>		
Management fees paid to Romspen (note 8(b))	13,149	14,586
Financing costs	27,169	30,336
Change in fair value of accrued interest receivable, mortgage investments and investment in subsidiaries	143,115	92,773
Realized loss on mortgage investments and investment in subsidiaries	8,663	68,333
Other losses	1,394	142
Legal fees and other	1,526	1,847
	<b>195,016</b>	<b>208,017</b>
Foreign exchange (loss) gain (note 3(g))	(45,032)	32,399
Comprehensive (loss) income	<b>\$ (151,022)</b>	<b>\$ 11,144</b>

#### 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

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
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### 3. Supplemental information regarding Partnership at FVTPL (continued):

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 note 3(c).

**iii) Investment in USMLP:** The Partnership indirectly own 81.23% of USMLP as at December 31, 2025 (2024 - 78.14%) 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, 2025, the Partnership recognized nil (2024 - \$36,033) 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 investment in subsidiaries is a fair value adjustment of \$230,860 (2024 - \$140,631) representing accrued interest that is not expected to be collectible.

#### A reconciliation of the fair value adjustments to the accrued interest receivable is as follows:

	2025	2024
Beginning of year	\$ (140,631)	\$ (100,293)
Additions to accrued interest not expected to be collectible	(90,331)	(39,968)
Foreign currency adjustment	102	(370)
End of year	<b>\$ (230,860)</b>	<b>\$ (140,631)</b>

**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, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

### 3. 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, 2025, the Partnership held no cash equivalents (2024 - \$43,238).

x) **Restricted cash:** Restricted cash is held as collateral for letters of credit. As at December 31, 2025, the Partnership had restricted cash of \$5,519 (2024 - nil).

#### b) Mortgage investments (excluding investment in subsidiaries):

The following is a summary of the mortgage investments:

		2025		2024
	Number of mortgages*	Original cost	Fair value	Fair value
First mortgages	40	\$ 1,355,235	\$ 1,193,942	\$ 1,318,740
Second mortgages	3	118,357	82,218	79,509
		\$ 1,473,592	\$ 1,276,160	\$ 1,398,249

\*39 first mortgages and 2 second mortgages as at December 31, 2024

A reconciliation of the mortgage investments is as follows:

	2025	2024
Investments balance, beginning of year	\$ 1,398,249	\$ 1,688,074
Funding of mortgage investments <sup>(iii)</sup>	254,628	204,804
Discharge of mortgage investments <sup>(i), (ii)</sup>	(317,281)	(414,717)
Non-cash transfer to investment in subsidiaries	-	(51,577)
Net unrealized loss in the fair value of investments	(19,306)	(48,418)
Realized loss on investments	(3,042)	(41,117)
Foreign currency adjustment on investments	(37,088)	61,200
Investments balance, end of year	\$ 1,276,160	\$ 1,398,249

<sup>(i)</sup>Includes net discharge of \$189, equivalent of \$136 USD (2024 - \$578 equivalent of \$413 USD) in mortgages which are syndicated with USMLP.

<sup>(ii)</sup>Includes receipt of interest previously capitalized of \$1,137, equivalent of net discharge of \$824 USD (2024 - \$11,369, equivalent of net discharge of \$8,424 USD).

<sup>(iii)</sup>Includes \$20,000 non-cash consideration adjusted through USMLP loan balance.

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

### 3. 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.

The mortgage investments portfolio bears interest at a weighted average rate of 9.44% (2024 - 9.92%).

Principal repayments based on contractual maturity dates are as follows:

	2025	2024
Overhold	\$ 866,241	
2026	527,858	
2027	79,493	
	\$ 1,473,592	

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. Included in overhold category is \$214,785 on mortgage investments with entities that are owned by a subsidiary of Romspen.

#### c) Investment in subsidiaries:

	2025	2024
Investment in subsidiaries, at cost	\$ 446,608	\$ 463,375
Fair value adjustment	(60,598)	(27,016)
	\$ 386,010	\$ 436,359

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:

	2025	2024
Investment balance, beginning of year	\$ 436,359	\$ 424,293
Funding in investments	16,816	23,361
Sale of investments	(18,439)	(25,490)
Non-cash transfer from mortgage investments	-	51,577
Net unrealized loss in the fair value of investments	(33,581)	(3,216)
Realized loss on investments	(5,621)	(27,216)
Foreign currency adjustment on investments	(9,524)	(6,950)
Investment balance, end of year	\$ 386,010	\$ 436,359

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.

#### 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, 2025, the Partnership indirectly owns 81.23% (2024 - 78.14%) of USMLP, through Liberty LP.

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Year ended December 31, 2025

### 3. Supplemental information regarding Partnership at FVTPL (continued):

#### Schedule of investment in USMLP:

	2025	2024
Investment balance, beginning of year	\$ 688,135	\$ 584,209
Loan to USMLP	(2,118)	48,765
Partnership's share in USMLP net income	33,641	40,545
Dividend received from USMLP	(36,284)	(37,894)
Foreign currency adjustment on investment	(32,680)	52,510
Investment balance, end of year	\$ 650,694	\$ 688,135

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

#### Non-consolidated statement of financial position:

	2025	2024
<b>Assets</b>		
Cash and restricted cash	\$ 7,975	\$ 36,533
Accrued interest	51,564	40,391
Mortgage investments, at fair value	556,217	795,574
Real estate owned, at fair value	175,094	102,329
Other assets	8,390	8,630
	\$ 799,240	\$ 983,457
<b>Liabilities and Unitholders' Capital</b>		
Liabilities:		
Mortgage investment syndication <sup>(i)</sup>	\$ 14,959	\$ 120,013
Accounts payable and accrued liabilities	5,288	11,839
Due to the Partnership	95,450	103,637
Distributions payable	4,464	8,130
Redemptions payable	46,024	50,672
	166,185	294,291
Fair value of net assets attributable to unitholders of USMLP	633,055	689,166
	\$ 799,240	\$ 983,457

<sup>(i)</sup>Of this amount, nil is included in the Partnership's mortgage investments as at December 31, 2025 (2024 - \$43,054, equivalent of 29,932 USD).

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

### 3. Supplemental information regarding Partnership at FVTPL (continued):

#### Non-consolidated statement of comprehensive income:

	2025	2024
Investment income:		
Mortgage interest	\$ 53,935	\$ 67,209
Other	347	948
	54,282	68,157
Expenses:		
Service fees (note 8(c))	7,237	7,958
Interest	5,944	10,221
Accounting and legal fees	552	874
Other	697	978
	14,430	20,031
	39,852	48,126
Realized loss from investments	(695)	(14,284)
Unrealized gain from investments	2,974	18,402
Comprehensive income	\$ 42,131	\$ 52,244

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, 2025, a balance of \$95,450 (2024 - \$103,637), equivalent of \$69,550 USD (2024 - \$72,050), is outstanding and included in the investment balance. During the year ended December 31, 2025, the Partnership recognized \$5,944, equivalent of \$4,252 USD (2024 - \$6,966, equivalent of \$5,074 USD) towards interest income from 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 audited financial statements issuance date of April 10, 2026.

- 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:

	2025	2024
Mortgage investments, at cost	\$ 1,473,592	\$ 1,576,375
Investment in subsidiaries, at cost	446,608	463,375
Accrued interest receivable, at cost	317,865	313,824
Investment in USMLP	650,694	688,135
Unrealized fair value adjustment	(488,890)	(345,773)
	\$ 2,399,869	\$ 2,695,936
Mortgage investments	\$ 1,276,160	\$ 1,398,249
Investment in subsidiaries	386,010	436,359
Accrued interest receivable	87,005	173,193
Investment in USMLP	650,694	688,135
	\$ 2,399,869	\$ 2,695,936

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

### 3. Supplemental information regarding Partnership at FVTPL (continued):

The fair values of cash and cash receivables, accrued interest receivable, term credit facility and accounts payable and accrued liabilities approximate their carrying values due to their short-term maturities. The fair value of the revolving loan facility approximates its 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. On April 11, 2025, the Partnership amended and restated the credit agreement for its existing revolving loan facility ("Amended Facility") to a maximum amount of \$102,000 (2024 - \$150,000), including borrowing of an equivalent amount denominated in USD. On December 31, 2025, the Facility was further reduced to \$67,000. The maximum amount is subject to an additional drawing threshold based on a borrowing base calculation using eligible mortgage investments determined by the amended loan facility agreement. The Amended Facility is repayable on April 11, 2027. The credit agreement for the Amended Facility contains certain restrictions on the uses of funds drawn down from the Amended Facility. As at December 31, 2025, the outstanding amount was nil (2024 - nil).

The interest rates are either the Prime interest rate plus 1.75% per annum (2024 - Prime interest rate plus 1.75% per annum) or the CORRA plus 2.75% per annum, or the U.S. Base Rate (as defined in the credit agreement) plus 1.75% per annum (2024 - U.S. Base Rate plus 1.75%) or the Secured Overnight Financing Rate plus 2.75% (2024 - Secured Overnight Financing rate plus 2.75%) per annum. The Facility also imposes a Letter of Credit Fee rate of 2.75% (2024 - 2.75%) per annum and a Standby Fee Rate of 0.6875% (2024 - 0.6875%) 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, 2025 were nil and nil, respectively (2024 - nil and \$153,300). 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 11, 2027.

As at December 31, 2025, there were \$12,171 (2024 - \$19,191) in letters of credit issued against the revolving loan facility.

The costs associated with the renewal of the Facility is \$1,092 (2024 - \$1,408) and are being amortized over a two-year term (2024 - amortized over a one-year term). Included in other assets is the unamortized portion of the costs of \$756 (2024 - \$327).

Under the terms of the Partnership's Facility, cash distributions are restricted to amounts not exceeding cash generated from operating activities for the applicable fiscal year.

On December 31, 2025, the lender granted a covenant waiver permitting the Partnership's cash distributions to exceed cash generated from operating activities by up to \$33,000 for the year ending December 31, 2025.

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

### 3. Supplemental information regarding Partnership at FVTPL (continued):

#### The Partnership has calculated its net cash flow from operating activities as follows:

	2025	2024
Comprehensive (loss) income	\$ (151,022)	\$ 11,144
Adjustments for:		
Receipt of interest capitalized on discharge of mortgage investments	1,137	11,369
Foreign exchange loss (gain)	45,032	(32,399)
Impact of items not affecting cash	168,049	177,810
Change in non-cash operating items	(5,306)	(73,741)
	<b>57,890</b>	94,183
Net discharges of mortgage investments, investment from subsidiaries and investment in loan to USMLP	81,987	155,621
Restricted cash	(5,519)	-
Net cash from operating activities	<b>\$ 134,358</b>	<b>\$ 249,804</b>

The Partnership was in compliance with this covenant as of December 31, 2025.

As part of the covenants in the Facility loan agreement that was in place at December 31, 2024, the Partnership's distributions could not exceed taxable income in a given year. For the year ended December 31, 2024, the Partnership made distributions in excess of taxable income. 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. The distribution covenant that was in place at December 31, 2024 was replaced in 2025.

#### 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 was repayable on May 16, 2025, and was repaid on that date. 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.

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### 3. 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 B	\$ 13,125	\$ 13,125	\$ 132,344	\$ 158,594

The costs associated with the Term Credit Facility are \$9,569 (2024 - \$8,451) and are being amortized over a one-year term (Tranche A) and a four-year term (Tranche B). Recorded against the Term Credit Facility is the unamortized portion of the costs of nil (2024 - \$726) for Tranche A and \$3,556 (2024 - \$5,602) for Tranche B.

Under the terms of the Partnership's Term Credit Facility, cash distributions are restricted to amounts not exceeding cash generated from operating activities for the applicable fiscal year. On December 31, 2025, the lender granted a covenant waiver permitting the Partnership's cash distributions to exceed cash generated from operating activities by up to \$33,000 for the year ending December 31, 2025. Accordingly, the Partnership was in compliance with this covenant as of December 31, 2025. Refer to the Partnership's net cash flow from operating activities calculated in note 3(e).

As part of the covenants in the Term Credit Facility loan agreement, the Partnership's distributions could not exceed taxable income in a given year. For the year ended December 31, 2024, the Partnership made distributions in excess of taxable income. On March 31, 2025, the lender provided a waiver consenting to the distributions being in excess of taxable income for the year ending December 31, 2024. The distribution covenant that was in place at December 31, 2024 was replaced in 2025.

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. On March 31, 2025, the lender provided a waiver for this condition.

#### 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, 2025 and 2024.

	Currency received to be delivered in USD (CAD)	Fair value at foreign exchange	Unrealized loss
2025	\$ 1,016,816	\$ 1,027,378	\$ (10,562)
2024	1,015,004	1,076,786	(61,782)

The Partnership's foreign exchange (loss) gain in the non-consolidated statement of comprehensive income includes an unrealized foreign exchange loss of \$32,674 (2024 - gain of \$34,965) and a realized foreign exchange loss of \$12,358 (2024 - \$2,566).

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

The realized foreign exchange losses include realized foreign exchange losses of \$21,159 (2024 - \$26,026) on forward contracts.

#### 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, 2025, there were \$54,704 of guarantees outstanding (2024 - \$33,921).

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

### 3. Supplemental information regarding Partnership at FVTPL (continued):

iii) The Partnership has letters of credit and guarantees outstanding at December 31, 2025 of \$17,690 (2024 - \$19,191).

iv) As of December 31, 2025, the Partnership has provided a guarantee to a third party lender holding a priority position on one of its related party mortgage investments, under which the Partnership may be required to cover potential losses, if any, up to a maximum amount of \$86,187, equivalent to USD \$62,800 (2024 - \$90,332, equivalent to USD \$62,800). In determining fair value, this arrangement is considered as part of the overall assessment of the related mortgage investment, which includes a total negative fair value adjustment of \$30,992, equivalent to USD \$22,582, as at December 31, 2025 (2024 - \$37,646, equivalent to USD \$26,172).

#### i) Fair values of financial instruments:

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

#### j) Financial instrument risk management:

##### a) 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 primary 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 may impair the ability of the borrowers to make payments and result in defaults, and decline in the fair value of its mortgage investments. The Partnership's return to the Unitholder would be adversely impacted if borrowers are unable to make contractual payments when due.

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 and approve each mortgage investments and to review the overall portfolio to ensure it is adequately diversified.

As at December 31, 2025, there are two mortgage investments issued to a single borrower ("Borrower 1") for \$157,313 (2024 - \$157,313) in principal and \$156,099 (2024 - \$156,028) in accrued interest, for a combined indebtedness of \$313,412 (2024 - \$313,341) at cost. The total mortgage investments and accrued interest with the Borrower 1 is recorded at a fair value of \$154,406 (2024 - \$213,189). Total principal outstanding accounts for 6.6% (2024 - 6.0%) of the Partnership's capital. The principal and accrued interest at cost accounts for 23.0% (2024 - 19.5%) 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 \$72 (2024 - \$62), which is fully reserved for and recorded in the Partnership's non-consolidated statement of comprehensive (loss) income.

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

### 3. Supplemental information regarding Partnership at FVTPL (continued):

In addition, there is a mortgage investment issued to a single borrower ("Borrower 2") for \$135,195 (2024 - \$240,274) in principal and \$35,328 (2024 - \$31,245) in accrued interest, for a combined indebtedness of \$170,523 (2024 - \$271,519) at cost. The total mortgage investments and accrued interest with the Borrower 2 is recorded at a fair value of \$154,675 (2024 - \$271,519). Total principal outstanding accounts for 5.6% (2024 - 9.1%) of the Partnership's capital. The principal and interest receivable at cost accounts for 12.5% (2024 - 16.9%) 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 at cost from Borrower 2 is \$9,272 (2024 - \$29,173), which is fully reserved for and recorded in the Partnership's non-consolidated statement of comprehensive (loss) income.

As at December 31, 2025, the Partnership has \$42,624 (2024 - \$49,267) of accrued interest past due on \$167,195 (2024 - \$333,334) of mortgages which the Fund does not consider impaired. The Fund has reviewed these loans and has determined that fair value adjustments are not required given the value of the collateral.

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

#### 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.

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 note 3(e) and term credit facility note 3(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 note 3(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 note 3(e) and note 3(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.

#### 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.

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.

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

### 3. Supplemental information regarding Partnership at FVTPL (continued):

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 note 3(e) and note 3(f).

As at December 31, 2025, 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 nil (2024 - \$554). Similarly, it would be nil (2024 - \$1,408) 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 \$1,309,885 (2024 - \$1,476,484), or 52% (2024 - 55%) of the total Partnership's investments in mortgages, subsidiaries and in the USMLP at December 31, 2025, 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 and by including mortgage contract terms whereby the borrower is responsible for foreign exchange losses.

#### d) Capital risk management:

The Partnership may borrow up to 35% of the carrying 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, 2025, the Partnership's borrowings totalled 7% (2024 - 9%) of the carrying value of its total investments.

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

#### 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:

	2025		2024	
	Units	Amount	Units	Amount
Balance, beginning of year	285,003,255	\$ 2,860,371	283,293,999	\$ 2,844,270
New fund units issued	-	-	34,498	174
New fund units issued under distribution reinvestment plan	1,402,929	12,766	1,674,758	15,927
Units redeemed	(1,090,323)	(9,637)	-	-
Net issuance of Fund units	312,606	3,129	1,709,256	16,101
Balance, end of year	285,315,861	\$ 2,863,500	285,003,255	\$ 2,860,371

Total units of 285,315,861 include 66,735,149 Fund units submitted for redemption and 11,744,179 Run-Off Pool units as reconciled below:

	2025		2024	
	Units	Amount	Units	Amount
Balance, beginning of year	60,619,444	\$ 554,841	41,579,849	\$ 390,034
Decrease in fair value allocated to units submitted for redemption	-	(48,123)	-	-
Net change in requests submitted for redemption	6,115,705	51,121	19,039,595	164,807
Balance in units submitted for redemption, end of year	66,735,149	\$ 557,839	60,619,444	\$ 554,841
Balance in Run-Off Pool units, beginning of year	12,834,502	\$ 115,731	12,834,502	\$ 119,873
Units redeemed for Run-Off Pool	(1,090,323)	(9,637)	-	-
Decrease in fair value allocated to Run-Off pool	-	(11,036)	-	(4,142)
Balance in Run-Off Pool units, end of year	11,744,179	\$ 95,058	12,834,502	\$ 115,731

During the normal course of business, the Fund receives unit issuance and redemption requests from the unitholders. For the year ended December 31, 2025, the Fund received requests for redemption of 6,115,705 units (2024 - 19,039,595) and redeemed 1,090,323 Run-Off Pool units (2024 - nil) in accordance with its policies.

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

##### 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.

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

#### 4. Net assets attributable to unitholders (continued):

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, 2025, 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, 2025, unitholders representing approximately 66,735,149 (2024 - 60,619,444) 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, 2025, the unit redemptions remain suspended.

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

#### 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 June 17, 2025, 798,143 Run-Off Pool units were redeemed for \$7,000, and on December 17, 2025, 292,180 Run-Off Pool units were redeemed for \$2,637.

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

As at December 31, 2025, NAV per Fund unit is calculated as total assets less total liabilities, including units submitted for redemption, allocable to outstanding Fund units of 273,571,682 (2024 - 272,168,753). NAV per Run-off Pool unit is calculated total assets less total liabilities, allocable to outstanding Run-Off Pool units of 11,744,179 (2024 - 12,834,502).

Net (loss) income and comprehensive (loss) income per Fund unit were computed using the weighted average number of Fund units issued and outstanding of 272,989,687 (2024 - 271,395,695).

Net (loss) income and comprehensive (loss) income per Run-Off Pool unit were computed using the weighted average number of Run-Off Pool units issued and outstanding of 12,341,734 (2024 - 12,834,502).

#### 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, 2025, the Fund declared distributions of \$0.24 (2024 - \$0.24) per unit and a total of \$68,477 (2024 - \$68,215) to be distributed to all the unitholders. The Fund issued 1,402,929 units amounting to \$12,766 (2024 - 1,674,758 units amounting to \$15,927) under distribution reinvestment plan.

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

#### 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, 2025, the total amount was \$6,477 (2024 - \$7,184).

**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, 2025, this amount was \$13,149 (2024 - \$14,586).

**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, 2025, this amount was \$7,237 (2024 - \$7,958).

**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, 2025, this amount was \$11,255 (2024 - \$17,166).

**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, 2025, the Partnership had one (2024 - one) investment outstanding with an original cost of \$58,328 (2024 - \$61,831), including accrued interest of \$19,421 (2024 - \$22,924) and fair value of \$58,328 (2024 - \$61,831) 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% (2024 - 12%).

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

## 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 \$132 payable to Romspen (2024 - \$71).

**h)** As at December 31, 2025, the Partnership has 16 (2024 - 15) 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% (2024 - 5.7%).

During the year ended December 31, 2025, Romspen Subsidiary foreclosed and assumed one mortgage (2024 - two) on behalf of the Partnership at a fair value of \$5,490 and a carrying value of \$5,720.

As at December 31, 2025, the cost of the mortgage investments with Romspen Subsidiary is \$584,984 (2024 - \$601,892), and the fair value is \$370,323 (2024 - \$393,951). For the year ended December 31, 2025, the Partnership recognized interest income of \$1,504 (2024 - \$3,264) 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 requirements 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:

## 10. Fair values of financial instruments (continued):

- 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.

## 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 types of risks the Fund is exposed to, the source of risk exposure and how each is managed is outlined hereafter:

(In thousands of dollars, except per unit amounts, unless otherwise noted)  
Year ended December 31, 2025

## 11. Financial instrument risk management (continued):

### 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 \$0.11 per unit (2024 - \$0.12 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.

### e) Economic downturn or recession:

The Fund's investment in Partnership is susceptible to economic slowdowns or recessions. Therefore, the value of its investment in Partnership is likely to decrease during these periods. A prolonged economic slowdown may result in losses of value in the Fund's investment and a decrease in the Fund's revenues, net income and NAV.

### f) Other price risk:

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

## Historical Performance Overview

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual Compound Net Return
2025	0.22	-0.11	0.01	-0.95	0.08	-0.12	0.22	-0.51	-0.06	0.01	-0.25	-4.85	-6.2
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	-2.2%	5 Yr	1.4%	10 Yr	4.2%	20 Yr	6.4%	25 Yr	7.1%
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Annualized as of December 31, 2025

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**

Paras Dharamshi

**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 15<sup>th</sup> 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 23, 2026, at 10 a.m. in the Willard Room (mezzanine level) of the Yorkville Royal Sonesta Hotel, located at 220 Bloor Street West in Toronto, Ontario

### 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



Morrison Walk - North Vancouver, BC Canada

**NSD**  
Disposal Ltd.  
604-520-5669  
www.nsddisposal.com