
Romspen Mortgage Investment Fund Announces 2008 Results

Romspen delivers strong absolute return of 9.9 percent in 2008, dramatically outperforming almost all other investment classes on a comparative basis.

Toronto, April 24, 2009 - Romspen Mortgage Investment Fund, a leading non-bank mortgage lender specializing in commercial and industrial real estate, released its financial statements for the year ended December 31, 2008 today. By all important measures - investor returns, portfolio growth, new investor funds and the credit quality of new loans - 2008 was a great year for Romspen. Despite the challenging economic environment, the Fund generated a 9.9 percent compounded return for its investors, outperforming every one of the top 180 largest mutual funds in Canada.

2008 Highlights

- The net mortgage portfolio grew 17 percent in 2008 to \$493.6 million.
- Net income for 2008 increased 28 percent to \$37 million compared to \$29 million in 2007.
- 2008 distributions to investors totalled \$0.95 per unit to yield a compounded return of 9.9 percent.
- The weighted average interest rate charged on the portfolio to borrowers increased to 11.9 percent at the end of 2008 compared to 11.6 percent at the end of 2007.
- Romspen outperformed every one of the top 180 largest mutual funds in Canada.
- The Fund had net inflows of investor capital every month during 2008.

“Romspen’s common sense approach to lending and long standing investment philosophies have served us well through many cycles and our 2008 results have reinforced our commitment to these principles,” says Mark Hilson, Managing General Partner at Romspen. “Although globally 2008 will go down as one of the most volatile and worst performing investment periods in recent history, the resulting contraction in lending has created significant opportunities for non-traditional lenders such as Romspen. It has allowed us to “cherry-pick” investment opportunities and invest in lower-risk commercial mortgages without reducing mortgage rates.”

“The investment objectives of the Fund are focused on capital preservation, consistency and absolute cash yields to investors of 10 percent. We’re pleased to have delivered on our objectives during 2008 despite the economic downturn, and to have continued to provide our investors with the calibre of returns they have come to expect from Romspen over the years.”

In the last 15 years, Romspen, through its Fund and predecessor syndicated mortgage business, has invested over \$1 billion in more than 600 mortgages and has consistently delivered average annual returns of approximately 10 percent to an investor base comprised of high net-worth individuals, trusts, and endowments.

2008 Results of Operations

Revenues for the year increased by 18 percent from \$42.2 million in 2007 to \$49.9 million for 2008. For 2008, Romspen recorded net income of \$37.0 million or \$0.93 per unit compared to \$29.0 million or \$0.99 per unit in 2007. Investors held units totalling \$444.1 million compared to \$331.4 million last year, with the Fund enjoying net inflows of investor capital every month during 2008. Net debt (debt less cash) at \$59.5 million or 12 percent of the net mortgage portfolio, was meaningfully reduced from last year’s level of \$95.7 million or 23 percent of the net portfolio.

Comparative Performance

In 2008, Romspen’s 9.9 percent return outperformed most other investment classes, including the stock market (S&P/TSX), T-bills and every one of the top 180 largest mutual funds in Canada. For a comparison of

Romspen's short and long-term performance track record versus other investment classes, please see the Fund's website at: www.romspen.com.

Mortgage Portfolio

At December 31, 2008, the gross mortgage portfolio had grown from \$427.8 million to \$500.8 million, an increase of 17.1 percent. As a precautionary measure, the Fund increased its loss reserves during 2008 to \$7.3 million from \$4.9 million at the end of 2007. This resulted in a net mortgage portfolio of \$493.6 million as at December 31, 2008 compared to \$422.9 million in 2007.

The Fund continues to focus on short-term cash flow mortgages with 75 percent of the mortgages maturing within one year and 98 percent maturing in less than two years. Geographic diversification continued as 44 percent of the mortgages were invested in Ontario, 49 percent in Western Canada, and seven percent in other regions. The weighted average interest rate of the mortgage portfolio strengthened throughout the year to 11.9 percent compared to 11.6 percent as at December 31, 2007.

2008 Distributions

Unitholder distributions for 2008 were \$0.95 per unit compared to \$1.00 per unit in 2007. This yielded a compounded net return to investors of 9.9 percent in 2008 compared to 10.5 percent last year. Late in 2008, the Fund modestly reduced monthly distributions by \$0.01 per unit to increase loss reserves in this difficult and volatile economic environment.

About the Fund

Romspen is a leading Canadian non-bank mortgage lender specializing in commercial and industrial real estate. The firm began operations in 1966 and the Romspen Mortgage Investment Fund was formed in 2006. Its investments are comprised primarily of commercial and industrial first mortgages on properties across Canada. Investors in the Fund comprise high net-worth individuals, trust, and endowments.

The investment objectives of the Fund are focused on capital preservation, consistency, and absolute cash yields to investors of 10 percent. Over the past 15 years, Romspen has invested over \$1 billion in over 600 mortgages and has consistently earned average annual returns of approximately 10 percent.

The 2008 Romspen Mortgage Investment Fund Annual Report including the Trustees' Report, Management's Discussion & Analysis, and the audited Financial Statements are available on the Fund's website: www.romspen.com.

This news release may contain forward-looking statements that are based on management's current expectations and are subject to known and unknown uncertainties and risks. These uncertainties and risks may cause actual results to differ materially from those contemplated or implied and readers are cautioned not to place undue reliance on these forward-looking statements. Romspen is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or otherwise.

For further information contact:

Mark Hilson
Managing General Partner
markhilson@romspen.com

or

Ann Ralston
Vice President, Investor Relations
annralston@romspen.com

416-966-1100