



Ridgewood Canadian Investment Grade Bond Fund

Interim Report of Fund Performance
For the six months ended June 30, 2019

Ridgewood Canadian Investment Grade Bond Fund

Management Report of Fund Performance

For the six months ended June 30, 2019

Management Report of Fund Performance

This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling 416-842-0887 or 1-888-789-8957 toll free, or by writing to us at Investor Relations, Ridgewood Capital Asset Management Inc., 55 University Avenue, Suite 1020, Toronto, Ontario, M5J 2H7, or by visiting our website at www.ridgewoodcapital.ca or SEDAR at www.sedar.com. Unitholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Results of Operations

For the six months ended June 30, 2019, the net asset value of the Fund for pricing purposes was \$14.99 per unit compared to \$13.77 per unit at December 31, 2018.

For more detailed information on the investment returns, please see the Annual Total Return bar graph.

For the six months ended June 30, 2019, the Fund had a positive return of 11.29% net of fees and expenses of 2.01% (annualized) while the FTSE Canada Universe Bond Index gained 6.52%. Returns across all sectors were strong as global central banks signaled lower interest rates were on the horizon. The Bank of Canada however has been on hold this year and has indicated they are in no rush to raise or cut interest rates.

The Fund may utilize various forms of borrowings including a loan facility and margin purchases, up to 35% of the total assets of the Fund at the time of the borrowing. Accordingly, the maximum amount of leverage that the Fund could employ is 1.54:1. Ridgewood, in its capacity as trustee of the Fund, established a margin account with Scotiabank on January 29, 2010. The Fund is required to pay interest to Scotiabank on any outstanding indebtedness. Such indebtedness is collateralized by a security interest in the portfolio of investments.

As at June 30, 2019, \$98,481,557 of the Fund was leveraged. During the six months ended June 30, 2019, the Fund's maximum leverage outstanding was \$123,538,475 and the minimum leverage outstanding was \$79,891,557.

Recent Developments

It was a very positive first half of 2019 for bond investors. Returns across all sectors were strong as global central banks signaled lower interest rates ahead. In particular, the U.S. Federal Open Market Committee did a 180 degree turn. In December Chairman Powell was telegraphing successive hikes in 2019 and by the time January arrived his dialogue indicated those hikes were off the table. Trade tensions and tariffs have created some concern on the future impact to the global economy which has already shown signs of decelerating. Corporate bonds continue to perform well in this environment as they provide an additional yield over Government bonds.

Corporate BBB bonds, an area the portfolio is focused on, outperformed the index again. The FTSE Canada Universe Bond Index returned 6.52% YTD while the BBB index returned 7.50%. The less risky Government and Corporate AAA bonds were the weakest sectors, returning only 4.04% and 4.12% respectively. The yield curve has inverted as the overnight rate is 1.75% and 30-year Canada bonds are yielding 1.67%. Every bond maturity from 1 year out to 30 years is below the overnight Bank rate. The market is telling the central banks that the interest rates are restrictive and need to come down.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six months ended June 30, 2019 and the past five years as applicable.

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Information for the six months period ended June 30, 2019 is derived from the Fund's unaudited financial statements, while information for the years ended December 31 is derived from the Fund's audited financial statements. The Net Asset Value in the Net Assets per Unit table as at June 30, 2019 is from the Fund's unaudited financial statements, while the ones as at December 31, 2018, 2017, 2016, 2015 and 2014 are from the Fund's audited financial statements. Calculations for the purposes of MRFP are made using Net Asset Value. The Net Asset Value in the Ratios/Supplemental Data table is for fund pricing purposes. Both the Net Asset Value in the Net Assets per Unit table and in the Ratios/Supplemental Data table are calculated using closing prices

The Fund's Net Assets per Unit

Class A

Period	2019 ⁽¹⁾	2018	2017	2016	2015	2014
Net assets value, beginning of period	\$ 13.77	\$ 14.09	\$ 13.55	\$ 13.50	\$ 13.72	\$ 12.51
Increase from operations:						
Total revenue	0.51	1.05	0.95	1.02	1.08	1.03
Total expenses	(0.14)	(0.26)	(0.20)	(0.19)	(0.20)	(0.24)
Realized gains (losses)	0.13	(0.11)	0.37	0.33	0.31	0.44
Unrealized gains (losses)	1.05	(0.37)	0.02	(0.45)	(0.83)	0.59
Total increase (decrease) from operations ⁽³⁾	1.55	0.31	1.14	0.71	0.36	1.82
Distributions:						
From net investment income (excluding dividends)	(0.37)	(0.76)	(0.76)	(0.80)	(0.92)	(0.68)
From dividends	-	-	-	-	-	-
From net realized capital gains	-	-	(0.32)	(0.18)	(0.44)	(0.39)
From return of capital	-	-	-	-	-	-
Total annual distributions ⁽⁴⁾	(0.37)	(0.76)	(1.08)	(0.98)	(1.36)	(1.07)
Net assets value, end of period ⁽²⁾⁽⁵⁾	\$ 14.99	\$ 13.77	\$ 14.09	\$ 13.55	\$ 13.50	\$ 13.72

⁽¹⁾ This information is derived from the Fund's unaudited Interim financial statements as at June 30 of the Period.

⁽²⁾ The net assets per security presented in the financial statements differs from the net asset value calculated for Fund pricing purposes for 2014. An explanation of these differences can be found in the notes to the financial statements.

⁽³⁾ Net assets per security and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the average number of units outstanding over the financial year.

⁽⁴⁾ Distributions, if any, were paid in cash, reinvested in additional units of the Fund, or both.

⁽⁵⁾ The Financial Highlights are not intended to act as a continuity of the opening and closing net assets per unit.

Ratios and Supplemental Data

Class A ⁽²⁾

Year	2019 ⁽¹⁾	2018	2017	2016	2015	2014
Net asset value (000's)	\$ 216,101	\$ 172,952	\$ 169,672	\$ 104,049	\$ 80,446	\$ 107,992
Number of units outstanding	14,414,988	12,563,499	12,040,621	7,679,487	5,961,001	7,872,822
Management expense ratio ⁽³⁾	2.01%	1.89%	1.39%	1.39%	1.46%	1.83%
Management expense ratio before waivers or absorptions ⁽⁴⁾	2.01%	1.89%	1.39%	1.39%	1.46%	1.83%
Trading expense ratio ⁽⁶⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁵⁾	45.62%	55.82%	92.29%	138.28%	59.45%	29.55%
Closing market price	\$ 15.90	\$ 14.88	\$ 14.99	\$ 14.55	\$ 13.85	\$ 13.73
Net asset value per unit, end of period	\$ 14.99	\$ 13.77	\$ 14.09	\$ 13.55	\$ 13.50	\$ 13.72

⁽¹⁾ The information is provided for the period ended June 30, 2019

⁽²⁾ The inception date for Class A is December 18, 2009.

⁽³⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average net assets during the year. Out of its management fees, the Manager pays for such services to the Fund as portfolio manager compensation, service fees and marketing. Management expense ratio is inclusive of performance fees.

⁽⁴⁾ The Manager, at its discretion, may waive and/or absorb a portion of the fees and/or expenses otherwise payable by the Fund. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager.

⁽⁵⁾ The Fund's portfolio turnover rate indicates how actively the Sub-Advisor trades the Fund's portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

⁽⁶⁾ The trading expense ratio represents total commissions and other portfolio transactions costs expressed as an annualized percentage of daily average net asset value during the period.

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Management Fees

Ridgewood Capital Asset Management Inc. (the “Manager”) is entitled to an annual management fee payable out of the assets of the Fund. The maximum management fee is equal to 0.50% (excluding HST) of the net asset value of the Fund. The fee is accrued daily and payable monthly out of the assets of the Fund. Services received under the Declaration of Trust include managing or arranging for the management of the Fund’s investment portfolio and providing or arranging for all required administrative services to the Fund.

Past Performance

The past performance of the Fund is set out below and indicates year-by-year returns and overall past performance.

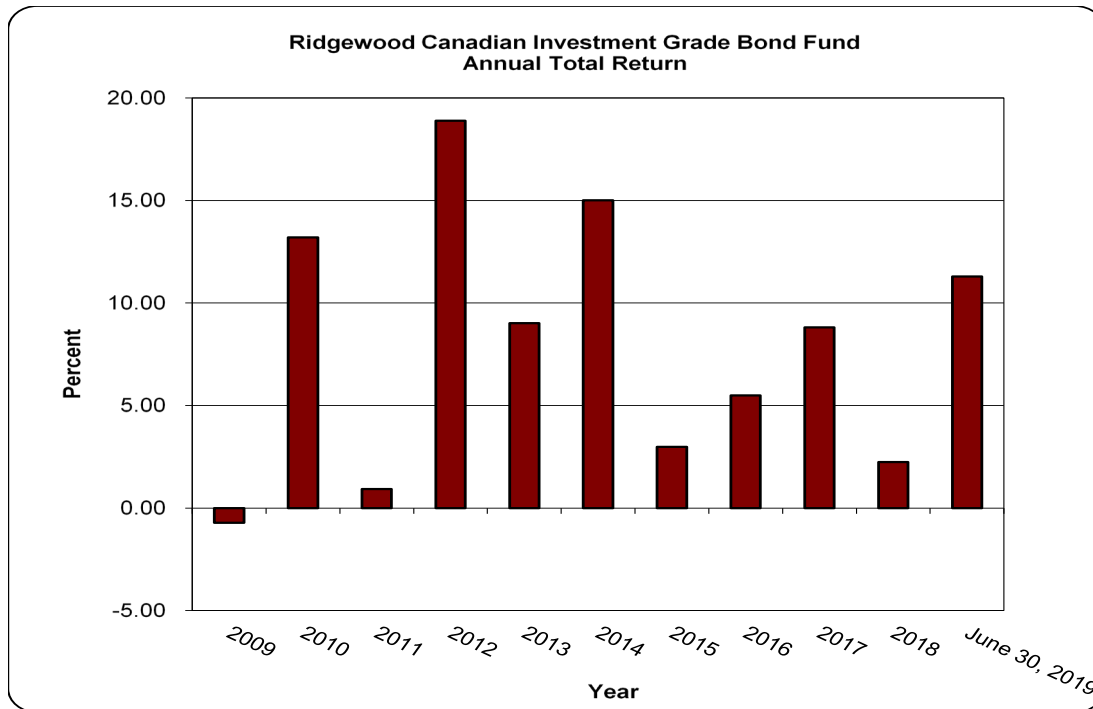
With respect to the charts displayed below, please note the following:

- the returns or performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund;
- the returns or performance information does not take into account sales, redemptions, distributions or other optional charges or income taxes payable that would have reduced returns or performance; and
- how the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The bar chart illustrates how the Fund’s annual total return in each year since the Fund’s inception including the six-month period ended June 30, 2019 has varied from period to period. The chart also shows, in percentage terms, how much an investment made on January 1 in each year would have increased or decreased by the end of that fiscal year, or June 30, 2019 for the six months then ended.

Annual Total Return



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Summary of Investment Portfolio

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update will be available on our website at www.ridgewoodcapital.ca.

Asset Mix

June 30, 2019

	% of Total Net Asset Value		% of Total Net Asset Value
Corporate Bonds	136.5	Federal Bonds	8.7

Top 25 Holdings

	% of Total Net Asset Value
1. Government of Canada, 2.75%, 2048/12/01	8.7%
2. Aroundtown SA, 4.625%, 2025/09/18	7.5%
3. Transcanada Trust, 4.65%, 2027/05/18	7.1%
4. Fairfax Financial Holdings Ltd., 4.23%, 2029/06/14	6.1%
5. REALT 2019-HBC, 4.445%, 2024/06/14	5.9%
6. Brookfield Property Finance ULC, 4.346%, 2023/07/03	5.3%
7. AT&T, 5.1%, 2048/11/25	5.1%
8. Cameco Corp., 5.09%, 2042/11/14	5.0%
9. Transalta Corp., 7.30%, 2029/10/22	5.0%
10. Coast Capital Savings, 5.25%, 2030/10/29	4.9%
11. Coast Capital Savings, 5.00%, 2028/05/03	4.8%
12. Laurentian Bank of Canada, 4.25%, 2027/06/22	4.7%
13. Enbridge Inc., 5.375%, 2027/09/27	4.6%
14. REALT, Class 'D', Series '2016-1', 3.64%, 2026/05/12	4.3%
15. George Weston Ltd., 6.69%, 2033/03/01	4.1%
16. Capital Power, 4.986%, 2026/01/23	4.0%
17. Transalta Corp. 6.90%, 2030/11/15	3.6%
18. Transalta Corp. 6.90%, 2030/11/15	3.6%
19. REALT Class D, 2016-2, 3.6175%, 2026/05/12	3.4%
20. Brookfield Asset Management Inc., 5.95%, 2035/06/14	3.4%
21. Teranet Holdings LP., 6.10%, 2041/06/17	2.9%
22. Institutional Mortgage Securities Canada Inc., 2016-7 D, 3.778%, 2025/03/12	2.9%
23. Fairfax Financial Holdings Ltd., 4.25%, 2027/12/06	2.9%
24. REALT Class C, 2018-1, 4.25%, 2028/05/12	2.8%
25. Institutional Mortgage Securities Canada Inc., 2012-2 D, 4.641%, 2022/07/12	2.7%
Total	115.3%

Independent Review Committee

National Instrument 81-107- Independent Review Committee for Investment Funds (“NI 81-107”) requires all publicly offered investment funds to establish an independent review committee (“IRC”) to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions. The current members of the IRC are G. Tomlinson Gunn, Allen B. Clarke, and Marshall E. Nicholishen. Mr. Gunn serves as the Chair of the IRC.

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We confirm the Fund did not rely on any approvals or recommendation of the IRC concerning related party transactions during the period.

Forward-Looking Statements

This report may contain forward-looking statements about the Fund. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund actions, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Fund currently anticipates that subsequent events and developments may cause the Fund’s views to change, the Fund does not undertake to update any forward-looking statements unless required by applicable law.

Mutual Funds
Managed by Ridgewood Capital Asset Management Inc.

Ridgewood Canadian *Bond Fund*

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Visit our website at www.ridgewoodcapital.ca for additional information on Ridgewood Funds.