



Ridgewood Canadian Bond Fund

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

Ridgewood Canadian 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 \$12.58 (class A) and \$12.70 (class F) per unit compared to \$11.85 (class A) and \$11.91 (class F) 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, Series A had a return of 7.44% net of expenses of 1.11% (annualized). Series F had a return of 8.97% net of expenses of 0.17% (annualized). The FTSE Canada Universe Bond Index had a return of 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.

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. For now, modest growth with stable inflation is an attractive backdrop for fixed income investors. 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.

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 MRF 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.

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Class A	Years ended December 31					
	June 30, 2019	2018	2017	2016	2015	2014
	\$	\$	\$	\$	\$	\$
The Fund's net assets per unit						
Net assets value, beginning of period ^{(1),(2)}	11.85	11.97	11.94	11.94	11.83	10.99
Increase (decrease) from operations						
Total revenue	0.20	0.43	0.38	0.39	0.40	0.42
Total expenses (excluding distributions)	(0.07)	(0.13)	(0.14)	(0.14)	(0.14)	(0.13)
Realized gain (loss) for the period	0.18	0.01	0.23	0.20	0.15	0.29
Unrealized gain (loss) for the period	0.57	(0.06)	(0.11)	(0.12)	(0.12)	0.51
Total increase (decrease) from operations⁽²⁾	0.88	0.25	0.36	0.33	0.29	1.09
Distributions to unitholders						
From net investment income	(0.15)	(0.30)	(0.28)	(0.26)	(0.28)	(0.29)
From return of capital	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Total distributions^{(2),(3)}	(0.15)	(0.30)	(0.28)	(0.26)	(0.28)	(0.29)
Net assets value, end of period^{(1),(2)}	12.58	11.85	11.97	11.94	11.94	11.83

Class F	Years ended December 31					
	June 30, 2019	2018	2017	2016	2015	2014
	\$	\$	\$	\$	\$	\$
The Fund's net assets per unit						
Net assets value, beginning of period ^{(1),(2)}	11.91	11.95	-	-	-	-
Increase (Decrease) from operations						
Total revenue	0.20	0.20	-	-	-	-
Total expenses (excluding distributions)	(0.01)	(0.01)	-	-	-	-
Realized gain (loss) for the period	0.18	-	-	-	-	-
Unrealized gain (loss) for the period	0.56	(0.09)	-	-	-	-
Total increase (Decrease) from operations⁽²⁾	0.93	0.10	-	-	-	-
Distributions to unitholders						
From net investment income	(0.15)	(0.16)	-	-	-	-
From return of capital	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Total distributions^{(2),(3)}	(0.15)	(0.16)	-	-	-	-
Net assets value, end of period^{(1),(2)}	12.70	11.91	-	-	-	-

(1) This information is derived from the Fund's unaudited financial statements as at June 30 of the period and the Fund's audited financial statements as at December 31 of the year. For all prior years, the financial statements of the Fund were prepared in accordance with Canadian GAAP applicable to public enterprises. Net Asset Value per unit is the difference between the aggregate value of the assets and the aggregate value of the liabilities divided by the number of units then outstanding. The valuation of securities are made using closing prices.

(2) Total increase (decrease) from operations consists of interest revenue, realized and unrealized gains (losses), less expenses, and is calculated based on the weighted average number of units outstanding during the year (period). The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of units outstanding during the year (period).

(3) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution and were paid in cash.

Class A	Years ended December 31					
	June 30, 2019	2018	2017	2016	2015	2014
Ratios/supplemental data						
Net Asset Value, end of period (\$millions) ⁽¹⁾	\$ 31.57	\$ 30.10	\$ 81.51	\$ 78.65	\$ 67.75	\$ 72.80
Number of units outstanding ⁽¹⁾	2,509,949	2,540,076	6,809,631	6,587,678	5,675,078	6,158,374
Management expense ratio (including HST) ⁽²⁾	1.11%	1.12%	1.12%	1.13%	1.12%	1.16%
Management expense ratio including expenses absorbed by the Manager	1.11%	1.12%	1.12%	1.13%	1.12%	1.16%
Portfolio turnover rate ⁽³⁾	87.59%	168.07%	142.93%	139.50%	226.58%	200.78%
Net Asset Value per unit, end of period ^{(1),(4)}	\$ 12.58	\$ 11.85	\$ 11.97	\$ 11.94	\$ 11.94	\$ 11.83

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Class F	Years ended December 31					
	June 30, 2019	2018	2017	2016	2015	2014
Ratios/supplemental data						
Net Asset Value, end of period (\$millions) ⁽¹⁾	\$ 66.01	\$ 64.57	\$ -	\$ -	\$ -	\$ -
Number of units outstanding ⁽¹⁾	5,198,022	5,422,242	-	-	-	-
Management expense ratio (including HST) ⁽²⁾	0.17%	0.12%	-	-	-	-
Management expense ratio including expenses absorbed by the Manager	0.17%	0.12%	-	-	-	-
Portfolio turnover rate ⁽³⁾	87.59%	168.07%	-	-	-	-
Net Asset Value per unit, end of period ^{(1), (4)}	\$ 12.70	\$ 11.91	\$ -	\$ -	\$ -	\$ -

(1) This information is provided as at June 30 of the period and December 31 of the year shown.

(2) Management expense ratio is the ratio of all fees and expenses, including harmonized sales taxes but excluding transaction fees charged to the Fund to the average net assets.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its 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 year (period). The higher a Fund's portfolio turnover rate in a year (period), the greater the trading costs payable by the Fund in the year (period), and the greater the chance of an investor receiving taxable capital gains in the year (period). There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

(4) Net Asset Value per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities and including the valuation of securities at closing prices divided by the number of units then outstanding.

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 1.00% (excluding HST) for Class A and 0.35% for Class F of the weighted average net asset value of the Fund less ordinary expenses of the Fund. The fee is accrued daily and payable monthly out of the assets of the Fund. Services received under the Master 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 return or performance information does not take into account 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

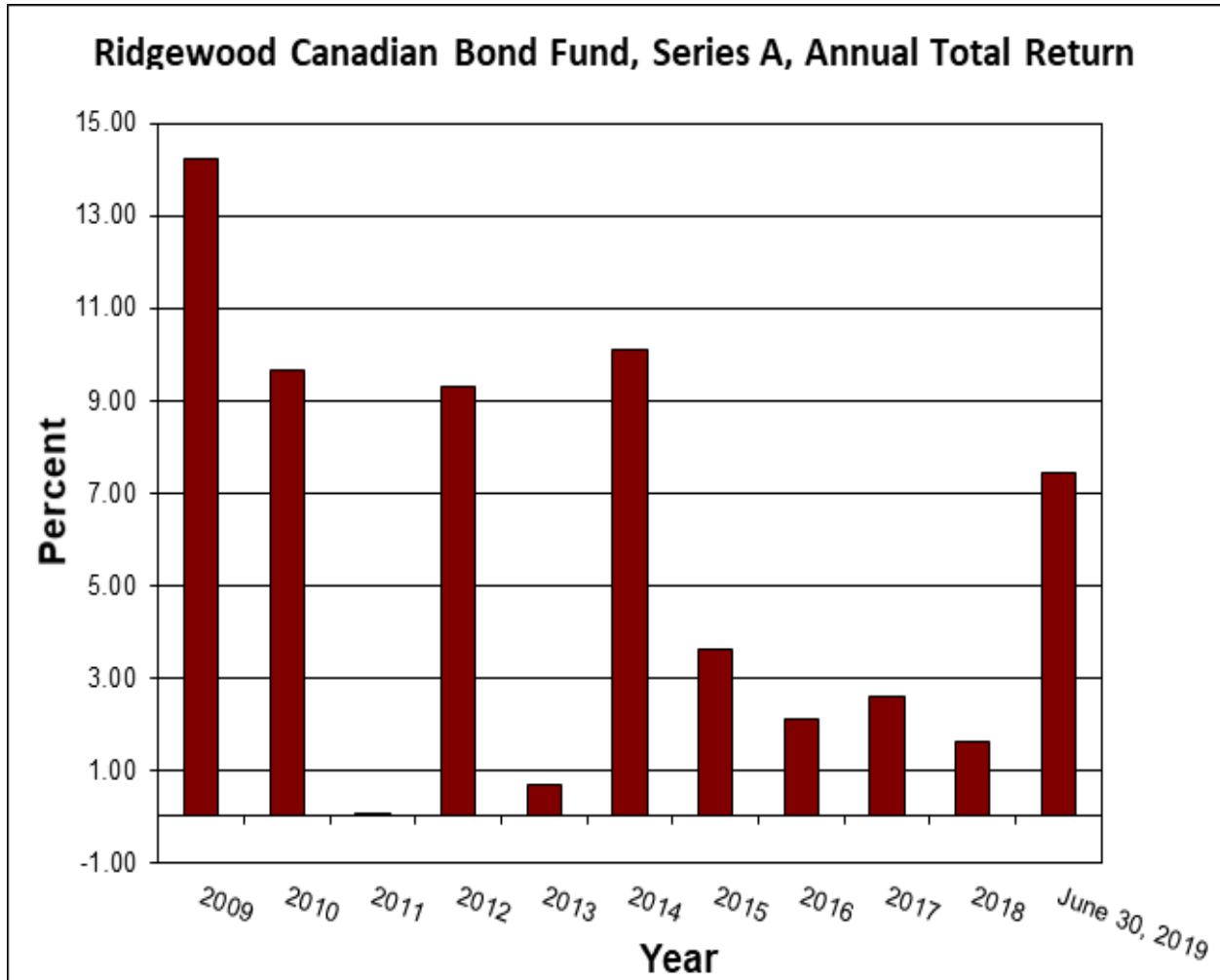
The bar chart illustrates how the Fund's annual total return in each of the past ten years including the six-month period ended June 30, 2019 has varied from period to period. The chart also shows, in percentage terms, how much an investment made on January 1 in each year would have increased or decreased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

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Annual Total Return



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 Net Asset Value		% of Net Asset Value
Corporate Bonds	44.3	Mortgage Backed Securities	25.0
Provincial Bonds	24.8	Federal Bonds	2.6
Cash & Cash Equivalents	1.6	Municipal Bonds	1.6

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Top 25 Holdings

	% of Total Net Asset Value
1. REALT 2015-1 B, 3.451%, 2025/05/12	4.8%
2. REALT 2016-1 C, 3.45%, 2026/05/12	3.4%
3. Province of Saskatchewan, 2.75%, 2046/12/02	3.2%
4. Province of Ontario, 2.60%, 2027/06/02	3.2%
5. Omers Realty Corp., 3.666%, 2022/12/05	3.2%
6. First Nations Financial Authority, 3.40%, 2024/06/26	3.2%
7. Province of Ontario, 2.90%, 2049/06/02	2.8%
8. Government of Canada, 2.75%, 2048/12/01	2.6%
9. Teranet Holdings LP., 5.754%, 2040/12/17	2.2%
10. Province of British Columbia, 2.30%, 2026/06/18	2.1%
11. Institutional Mortgage Securities Canada Inc. 2012-2 B, 4.192%, 2045/07/12	2.1%
12. Cameco Corp., 5.09%, 2042/11/14	2.0%
13. Institutional Mortgage Securities Canada Inc. 2014-5 C, 4.186%, 2024/05/12	2.0%
14. REALT 2017 C,	2.0%
15. Institutional Mortgage Securities Canada Inc. 2015-6 B, 2.944%, 2025/03/12	2.0%
16. Institutional Mortgage Securities Canada Inc. 2015-6 C, 3.1%, 2025/03/12	2.0%
17. Brookfield Asset, 5.95%, 2035/06/14	1.9%
18. Institutional Mortgage Securities Canada Inc. 2015-6 E, 3.813%, 2025/03/12	1.9%
19. REALT 2017 D1, 3.932%, 2052/11/12	1.7%
20. Province of British Columbia, 2.80%, 2048/06/18	1.7%
21. Transalta Corp., 7.30%, 2029/10/22	1.6%
22. City of Montreal, 3.0%, 2027/09/01	1.6%
23. Province of Manitoba 2.85%, 2046/09/05	1.6%
24. Canada Treasury Bill 2019/11/14	1.6%
25. Province of Newfoundland, 3.30%, 2046/10/17	1.4%
Total	57.8%

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.

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

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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.

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