



Ridgewood Canadian Bond Fund

Interim Report of Fund Performance
For the six months ended June 30, 2020

Ridgewood Canadian Bond Fund

Management Report of Fund Performance

For the six months ended June 30, 2020

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, 2020, the net asset value of the Fund for pricing purposes was \$12.97 (class A) and \$13.23 (class F) per unit compared to \$12.48 (class A) and \$12.67 (class F) per unit at December 31, 2019.

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

For the six months ended June 30, 2020, the fund had a return of 5.36% net of fees of 1.15% (annualized) while the FTSE/TMX Universe Bond Index had a return of 7.53%. Returns across all sectors were strong as interest rates and inflation remain low for the foreseeable future. Given overall volatility, investors have been favoring fixed income investments over equities. Due to the COVID-19 induced economic contraction, zero bound Government rates will continue to make corporate bonds the alternative for those looking for higher interest. The Bank of Canada will likely be on hold for the next 1-2 years at a minimum.

Recent Developments

It was a very positive first half of 2020 for bond investors. Returns across all sectors were strong as global central banks started to support the market via direct open market purchases because of the COVID-19 crisis. In particular, the U.S. Federal Open Market Committee led the process and was aggressive with their investments. The purchases included investment grade and high yield ETF's as this part of the market was becoming strained at the peak in the first quarter. Corporate bonds continue to perform well in this environment as they provide an additional yield over very low yielding Government bonds.

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, 2020 and the past five years as applicable.

Information for the six months period ended June 30, 2020 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, 2020 is from the Fund's unaudited financial statements, while the ones as at December 31 of the past years 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.

Ridgewood Canadian Bond Fund

Management Report of Fund Performance

For the six months ended June 30, 2020

- (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. It is expressed as an annualized percentage of daily average net assets during the period.
- (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 period. The higher a 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 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

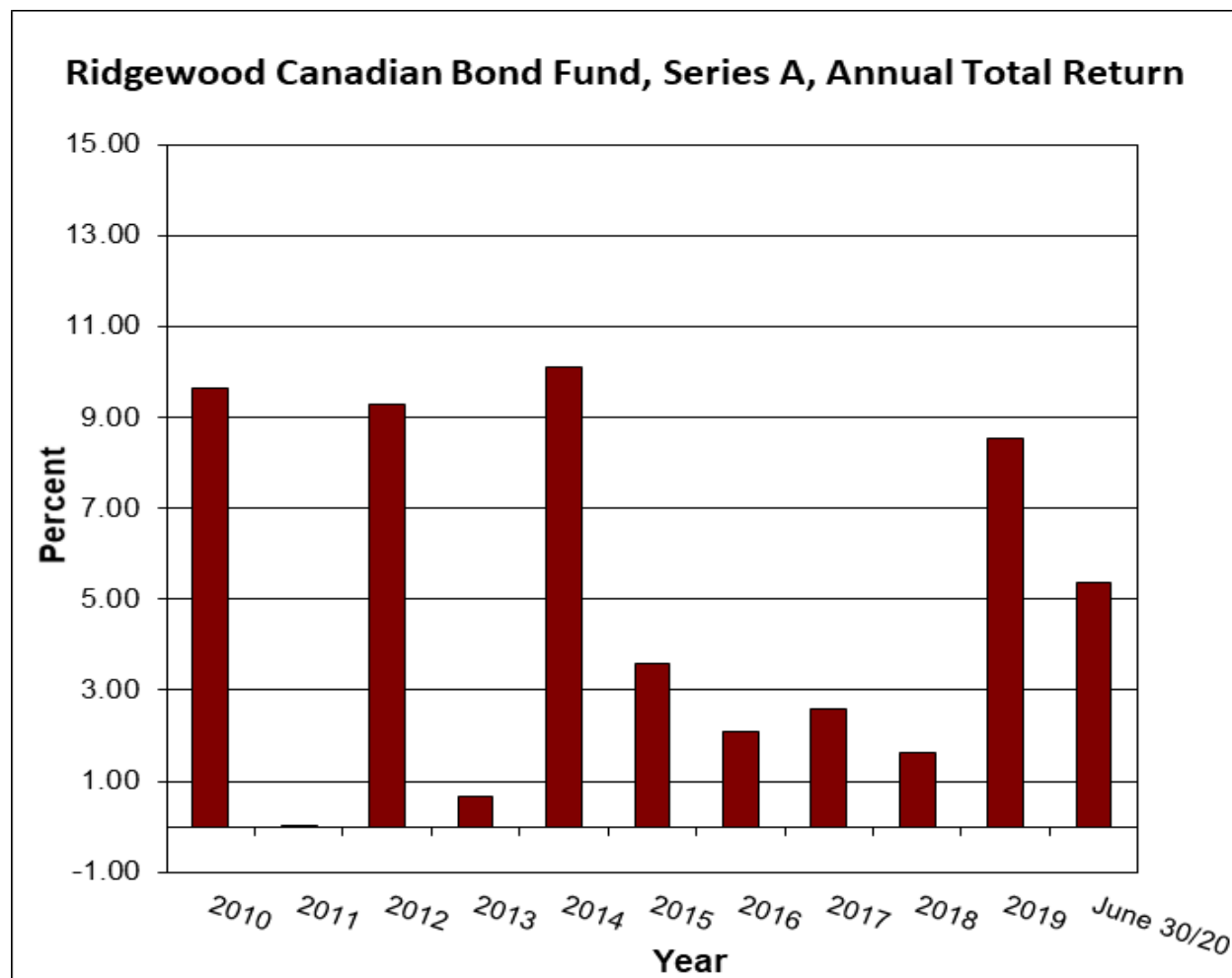
The bar chart illustrates how the Fund's annual total return in each of the past ten years including the six-month period ended June 30, 2020 has varied from period to period. The chart also shows, in percentage terms, how much an investment made on January 1 in each year would have increased or decreased by the end of that fiscal year, or June 30, 2020 for the six months then ended.

Ridgewood Canadian Bond Fund

Management Report of Fund Performance

For the six months ended June 30, 2020

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, 2020

| | % of Net Asset Value | | % of Net Asset Value |
|------------------|----------------------|----------------------------|----------------------|
| Corporate Bonds | 31.7 | Mortgage Backed Securities | 33.0 |
| Provincial Bonds | 25.5 | Federal Bonds | 7.4 |
| Municipal Bonds | 2.0 | | |

Ridgewood Canadian Bond Fund

Management Report of Fund Performance

For the six months ended June 30, 2020

Top 25 Holdings

| | % of Total Net Asset Value |
|---|-------------------------------|
| 1. Government of Canada, 2.0%, 2028/06/01 | 7.2% |
| 2. REALT 2015-1 B, 3.451%, 2025/05/12 | 5.8% |
| 3. REALT 2016-1 C, 3.45%, 2026/05/12 | 4.1% |
| 4. Omers Realty Corp., 3.666%, 2022/12/05 | 3.8% |
| 5. Province of Manitoba 2.85%, 2046/09/05 | 3.4% |
| 6. Teranet Holdings LP., 5.754%, 2040/12/17 | 2.7% |
| 7. First Nations Financial Authority, 3.40%, 2024/06/26 | 2.5% |
| 8. Institutional Mortgage Securities Canada Inc. 2014-5 C, 4.186%, 2024/05/12 | 2.4% |
| 9. Institutional Mortgage Securities Canada Inc. 2012-2 B, 4.192%, 2045/07/12 | 2.4% |
| 10. REALT 2017 C, 3.93%, 2027/12/07 | 2.4% |
| 11. Institutional Mortgage Securities Canada Inc. 2015-6 C, 3.1%, 2025/03/12 | 2.4% |
| 12. Institutional Mortgage Securities Canada Inc. 2015-6 B, 2.944%, 2025/03/12 | 2.4% |
| 13. REALT 2019-HBC B, 4.352%, 2024/06/14 | 2.4% |
| 14. Brookfield Asset, 5.95%, 2035/06/14 | 2.3% |
| 15. Institutional Mortgage Securities Canada Inc. 2015-6 E, 3.813%, 2025/03/12 | 2.3% |
| 16. REALT 2017 D1, 3.932%, 2052/11/12 | 2.1% |
| 17. City of Montreal, 3.0%, 2027/09/01 | 2.0% |
| 18. Canadian Housing Trust, 1.75%, 2030/06/15 | 1.9% |
| 19. Transalta Corp., 7.30%, 2029/10/22 | 1.8% |
| 20. First Nations Financial Authority, 3.582%, 2024/11/25 | 1.8% |
| 21. Institutional Mortgage Securities Canada Inc. 2013-4 E, 4.589%, 2023/11/12 | 1.8% |
| 22. Brookfield Property Finance ULC, 3.93%, 2027/01/15 | 1.8% |
| 23. Province of Newfoundland and Labrador, 3.30%, 2046/10/17 | 1.7% |
| 24. Transcanada Trust, 4.65%, 2027/05/18 | 1.7% |
| 25. Citigroup Inc., 4.090%, 2025/06/09 | 1.6% |
| Total | 66.7% |

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.

Ridgewood Canadian Bond Fund

Management Report of Fund Performance

For the six months ended June 30, 2020

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.

Ridgewood Capital Asset Management Inc.

55 University Avenue, Suite 1020
Toronto, Ontario M5J 2H7

Tel: 416-842-0227 1-888-789-8957
Fax: 416-479-2750

e-mail: contact@ridgewoodcapital.ca
www.ridgewoodcapital.ca