



Ridgewood Canadian Bond Fund

**Interim Financial Report (Unaudited)
For the six months ended June 30, 2010**

Ridgewood Canadian *Bond Fund*
Interim Financial Report (Unaudited)

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Message to Unitholders

Equity markets were negative for the first six months of 2010 as investors reacted to the continued problems in Europe over government debt levels and signs of weaker than expected global economic growth. In the first quarter the North American economies had positive GDP growth with Canada beating expectations and other economic statistics demonstrating positive growth, indicating a recovery was underway. Leading indicators trended upwards and the ISM Manufacturing Index rallied as new orders increased to replenish low inventories. The job market showed some positive signs in the US as job growth turned positive though initial jobless claims remained stubbornly high. The first quarter had a strong earnings season with a better than average number of companies beating estimates on both profits and revenues. The markets' attention was focused on the fiscal problems among some members of the European Union as deficits were as high as 13% of GDP. This highlights the problem of rising public debt that many western governments face and raises concerns over slower growth as a result of austerity packages.

The earnings season in the second quarter was also strong with over 80% of companies reporting in the US beating earnings estimates by an average of 20%. On the surface this is positive, however the majority of the strong earnings were the result of previous cost cutting measures. The North American economies continued their recovery as a result of growth in consumer spending, residential construction and inventory builds. In the US GDP growth was revised down from an initially reported 3.2% increase to 2.4%. This was the third quarter of consecutive GDP growth indicating the recovery will continue though at a slower than normal rate coming out of a recession. The May and June jobs report were below expectations and employee compensation continued to fall demonstrating the slack in the labour market. The weaker recovery and the massive number of jobs lost during the recession indicates the unemployment rate is expected to remain high for the short to medium term.

China's economy expanded at an annualized rate of 12% in the first quarter, though earlier monetary tightening actions taken caused property prices to fall as much as 20% in some major urban centres. Europe emerged as the weak link in a global recovery as growth has stabilized, and the outlook going forward is bleak given the required spending cuts and tax increases to balance budgets. Inflation remains contained and some deflationary pressures still exist, allowing the central banks globally to continue their low interest rate policy. Commodity prices fell during this period of uncertainty with the exception of gold, which saw an increase in demand and price, especially in non-US currencies.

Valuations have been under pressure given the economic and market risks presented by the European debt problem, Chinese real estate market and slowing US economy. Fears of a double dip recession are re-emerging but given the lack of inflation, central banks have room to keep rates low. Current forecasts for global economic growth for this year and next year remain at 4%, although we suspect that to be revised downward to account for a weaker Eurozone and US economy than previously expected. We continue to think the equity market will be within its recent current range with a focus towards large cap stocks with stability and visibility of earnings/cash flow.

Bond markets globally have continued to produce positive returns with corporate bonds again leading the way. For the first six months of 2010, the Canadian bond market returned 4.22% while Canadian BBB corporate bonds returned 6.05%. The low inflation coupled with moderating economic growth has provided bond investors with a good backdrop for positive returns which we expect to continue for the remainder of 2010.

June 30, 2010

Ridgewood Canadian *Bond Fund*

Interim Financial Report 2010 (Unaudited)

UNAUDITED SEMI-ANNUAL REPORT STATEMENT

The accompanying financial statements have not been reviewed by the external auditors of the Fund. The external auditors will be auditing the annual financial statements of the Fund in accordance with Canadian generally accepted auditing standards.

Ridgewood Canadian Bond Fund

Management's Responsibility for Financial Reporting

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this interim report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 of the financial statements.

The Manager is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.



John H. Simpson, CFA
Managing Director
Ridgewood Capital Asset Management Inc.



Paul W. Meyer, CFA
Managing Director
Ridgewood Capital Asset Management Inc.

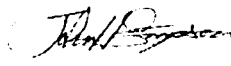
Ridgewood Canadian Bond Fund

Statements of Net Assets

As at June 30, 2010 (Unaudited) and December 31, 2009 (Audited)

	2010	2009
ASSETS		
Investments at fair value (cost 2010 - \$121,663,073; 2009 - \$78,665,180)	\$ 125,985,028	\$ 80,337,182
Short-term investments at fair value (cost 2010 - \$4,292,319; 2009 - \$6,928,683)	4,292,424	6,928,482
Cash	1,120,874	7,890
Accrued interest and dividend receivable	2,954,839	432,728
	134,353,165	87,706,282
LIABILITIES		
Due to brokers	4,922,590	4,365
Accrued liabilities	110,662	60,962
Redemptions payable	22,300	-
	5,055,552	65,327
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	\$ 129,297,613	\$ 87,640,955
Number of Units Outstanding (Note 4)	10,947,313	7,867,379
Net Assets per unit	\$ 11.8109	\$ 11.1398

ON BEHALF OF THE MANAGER,
Ridgewood Capital Asset Management Inc.


Director: John H. Simpson


Director: Paul W. Meyer

Statements of Financial Operations

For the six months ended June 30 (Unaudited)

	2010	2009
REVENUE		
Interest	\$ 2,772,450	\$ 1,771,014
EXPENSES (Note 5)		
Management fees	339,862	285,255
Administrative and other expenses	83,562	112,759
Independent Review Committee fees	24,315	24,045
Custodian fees	37,419	24,661
Goods and services tax	25,705	23,384
Legal fees	51,711	22,091
Audit fees	4,612	27,647
	567,186	519,842
Less expenses absorbed by Manager	-	(99,608)
Net Investment Income	567,186	420,234
Gain on sale of investments	2,205,264	1,350,780
Change in unrealized appreciation of investments	1,144,969	939,602
Net gain on investments	2,650,259	1,970,132
	3,795,228	2,909,734
INCREASE IN NET ASSETS FROM OPERATIONS	\$ 6,000,492	\$ 4,260,514
INCREASE IN NET ASSETS FROM OPERATIONS PER UNIT		
(based on weighted average number of units outstanding during the year - 8,714,683 ; 2009 - 6,597,521)	\$ 0.6885	\$ 0.6198

Ridgewood Canadian Bond Fund

Statements of Changes in Net Assets

For the six months ended June 30 (Unaudited)

	2010	2009
NET ASSETS, BEGINNING OF PERIOD	\$ 87,640,955	\$ 55,863,013
Unit Transactions (Note 4)		
Proceeds from units issued	43,196,090	42,202,760
Amount paid for units redeemed	(7,539,924)	(27,278,186)
	35,656,166	14,924,574
Increase in Net Assets from Operations	6,000,492	4,260,514
DISTRIBUTIONS TO UNITHOLDERS (Note 6)		
From net investment income	-	-
From capital gains	-	-
	-	-
Changes in Net Assets during the period	41,656,658	19,185,088
NET ASSETS, END OF PERIOD	\$ 129,297,613	\$ 75,048,101

Statements of Gain on Sale of Investments

For the six months ended June 30 (Unaudited)

	2010	2009
PROCEEDS FROM SALE OF INVESTMENTS	\$ 71,818,995	\$ 100,293,056
COST OF INVESTMENTS SOLD		
Cost of investments, beginning of period	78,665,180	53,351,212
Cost of investments purchased	113,671,920	117,468,336
	192,337,100	170,819,548
Cost of investments, end of period	(121,663,074)	(71,466,094)
	70,674,026	99,353,454
GAIN ON SALE OF INVESTMENTS	\$ 1,144,969	\$ 939,602

Ridgewood Canadian Bond Fund

Statement of Investments As at June 30, 2010 (Unaudited)

Par Value		Average Cost	Fair Value	% of Portfolio
Short-term Investments				
Treasury Bills				
4,302,000	Canada Treasury Bills, November 10, 2010	\$ 4,292,319	\$ 4,292,424	3.29%
Investments				
Canadian Bonds				
Federal Bonds				
4,000,000	Government of Canada, 1.000%, September 1, 2011	3,992,720	3,996,895	
10,000,000	Government of Canada, 5.000%, June 1, 2037	12,148,800	12,306,124	
Total Federal Bonds		16,141,520	16,303,019	12.51%
Corporate Bonds				
2,000,000	Brookfield Renewable Power Inc., 6.132%, November 30, 2016	2,024,340	2,135,137	
1,075,000	Canada Life Capital Trust, 7.529%, June 30, 2032	1,228,595	1,272,244	
895,000	Capital Desjardins Inc., 5.541%, June 1, 2021	901,370	965,381	
2,000,000	CIBC Capital Trust, 10.250%, June 30, 2108	3,073,260	3,100,224	
7,100,000	CIBC Capital Trust, 9.976%, June 30, 2108	8,974,490	9,498,402	
2,000,000	Citigroup Finance Canada Inc., 6.750%, September 22, 2014	2,095,960	2,142,684	
8,000,000	Citigroup Inc., 4.650%, October 11, 2022	6,950,260	7,158,294	
1,460,000	Citigroup Inc., 5.160%, May 24, 2027	1,186,625	1,248,479	
1,000,000	Citigroup Inc., 5.365%, March 6, 2036	760,000	755,967	
1,750,000	First National Financial Income Fund, 5.070%, May 7, 2015	1,750,000	1,778,940	
660,000	Glacier Credit Card Trust, 4.571%, November 18, 2011	635,966	666,069	
985,000	Glacier Credit Card Trust, 4.765%, May 20, 2014	918,013	955,795	
1,000,000	Intact Financial Corp., 5.410%, September 3, 2019	999,540	1,042,987	
2,000,000	Inter Pipeline Corridor Inc., 4.897%, February 3, 2020	2,000,000	2,086,863	
3,000,000	JPMorgan Chase & Co., 5.058%, February 22, 2021	3,052,980	3,015,865	
2,900,000	Kimco North Trust III, 5.990%, April 13, 2018	2,904,205	2,984,604	
700,000	Loblaws Cos Ltd., 5.860%, June 18, 2043	596,610	666,870	
3,000,000	Manitoba Telecom Services Inc., 5.625%, December 16, 2019	3,002,680	3,098,947	
5,000,000	Manulife Financial Capital Trust II, 7.405%, December 31, 2108	5,402,280	5,806,445	
3,000,000	Merrill Lynch & Co., Inc., 5.290%, May 30, 2022	2,854,500	2,833,448	
2,000,000	Metropolitan Life Global Funding I, 2.881%, June 29, 2011	2,023,205	2,027,220	
3,000,000	NBC Asset Trust, 7.447%, June 30, 2049	3,241,010	3,467,903	
1,000,000	Power Corporation of Canada, 7.570%, April 22, 2019	999,440	1,188,450	
2,000,000	Shaw Communications Inc., 5.650%, October 1, 2019	2,045,660	2,070,785	
3,100,000	Shaw Communications Inc., 6.750%, November 9, 2039	3,105,680	3,146,119	
1,500,000	Sun Life Capital Trust II, 5.863%, December 31, 2108	1,517,600	1,578,158	
1,000,000	Sun Life Financial Inc., 5.700%, July 2, 2019	999,320	1,076,944	
5,000,000	TD Capital Trust IV, 6.631%, June 30, 2108	5,499,230	5,586,017	
2,000,000	TD Capital Trust IV, 9.523%, June 30, 2049	2,419,000	2,641,535	
6,000,000	The Goldman Sachs Group Inc., 5.200%, April 19, 2022	5,793,800	5,676,027	
4,500,000	YPG Holdings Inc., 7.750%, March 2, 2020	4,742,545	4,812,608	
Total Corporate Bonds		83,698,164	86,485,411	66.39%
Total Bonds		99,839,684	102,788,430	78.90%
Mortgage Backed Securities				
100,000	Merrill Lynch Financial Assets Inc.	79,500	91,182	
13,026,000	Merrill Lynch Financial Assets Inc.	10,904,942	11,621,796	
5,044,000	Merrill Lynch Financial Assets Inc.	4,204,529	4,450,233	
7,071,000	Merrill Lynch Financial Assets Inc.	6,438,556	6,829,248	
195,000	N-45 First Class CMBS Issuer Corp.	195,862	204,140	
Total Mortgage Backed Securities		21,823,389	23,196,599	17.81%
Total Investments		\$ 125,955,392	\$ 130,277,453	100.00%

Ridgewood Canadian Bond Fund

Notes to the Financial Statements

June 30, 2010 (Unaudited)

1. ESTABLISHMENT OF THE FUND

Ridgewood Canadian Bond Fund (the "Fund") is an open-end trust existing under the laws of the Province of Ontario and governed by an amended and restated Master Declaration of Trust dated September 1, 2008, executed by Ridgewood Capital Asset Management Inc. ("Ridgewood" or the "Manager") in its separate capacities as manager and trustee of the Fund, and a Fund Declaration dated February 18, 1999, as amended on September 1, 2008. The Fund began operation on February 19, 1999.

Ridgewood acquired the institutional and wealth management division of Mulvihill Capital Management Inc. ("MCM") on September 1, 2008. As a result of the acquisition, Ridgewood replaced Mulvihill Fund Services Inc. ("MFSI") as the manager and trustee of the Fund.

Ridgewood is also the investment manager and distributor of units of the Fund. RBC Dexia Investor Services Trust is the custodian and registrar of the Fund, and, as such, performs certain valuation and other services for the Fund.

2. INVESTMENT OBJECTIVE OF THE FUND

The investment objective of the Fund is to achieve a high level of income, consistent with the preservation of capital and liquidity, from a portfolio of fixed income securities. The Fund is invested primarily in liquid Canadian federal and provincial government securities and those of Canadian corporations rated "BBB" or better by Canadian Bond Rating Service Limited or Dominion Bond Rating Service Limited or other recognized rating agency. The Fund may also invest in comparable fixed income securities of foreign issuers. Assets of the Fund may also be held in interest-bearing accounts at a bank or trust company, including the custodian, invested in guaranteed investment certificates or invested in Canadian short-term debt obligations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reported periods. Actual results may differ from estimates. The following is a summary of the significant accounting policies.

Capital Disclosures

The Fund's objectives, policies and processes for managing capital are described in Note 2. Information on the Funds' shareholders' equity is described in Note 4 and 6. The Fund does not have any externally imposed capital requirements.

Valuation of Investments

The Fund follows CICA Handbook Section 3855, "Financial Instruments - Recognition & Measurement". The standard requires that the fair value of securities which are traded in active markets be measured based on bid price.

The difference between the Net Asset Value and the Net Assets calculated using bid prices as described above is disclosed in Note 8.

Investments are recorded in the financial statements at their fair value which is determined as follows:

Securities are valued at fair value, which is determined by the closing bid price on the recognized stock exchange on which the securities are listed or principally traded. If no bid prices are available, the securities are valued at the closing price. Bonds are not priced on an exchange.

Short-term investments are included in the Statement of Investments at their cost. This value, together with accrued interest, approximates fair value at bid price.

Income Recognition

Interest income is recognized as accrued.

New Accounting Policies

Effective on January 1, 2009, the Fund adopted the recent amendments to CICA 3862, Financial Instruments – Disclosures. Disclosures about fair value of Financial Instruments, requires the disclosure of the estimated fair value of financial instruments. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Fund's financial instruments are recorded at fair value or at amounts that approximates fair value in the financial instruments.

Amendments to Section 3862 of the CICA Handbook, Financial Instruments – Disclosures, establishes a fair value hierarchy that prioritized the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows.

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Investment Manager has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices that is observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

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Level 3 Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

Please see Note 11 for these disclosures.

EIC-173 – Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

On January 20, 2009, the Canadian Accounting Standards Board ("AcSB") issued Emerging Issues Committee Abstract 173: Credit Risk and the Fair Value of Financial Assets and Financial Liabilities ("EIC – 173"). EIC – 173 supplements CICA Handbook Section 3855 wherein it states that fair value takes into account the credit quality of a financial instrument. The EIC affirms that an entity's own credit risk (in the case of financial liabilities) and a counterparty's credit risk (in the case of financial assets) should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments.

The Manager has reviewed its policies over valuation of assets and liabilities and believes that the fair values ascribed to financial assets and financial liabilities in these financial statements incorporate appropriate levels of credit risk.

4. UNITHOLDERS' EQUITY

Each unitholder in the Fund acquires units, which represent an undivided interest in the net assets of the Fund. All units are of the same class with equal rights and privileges. Each unit is entitled to one vote at any meeting of unitholders and to equal participation in any distributions made by the Fund. Fractional units are not entitled to voting privileges. Each unit is redeemable at the option of the unitholder in accordance with the Trust Agreement and the number of units which may be issued is unlimited. The units of the Fund are fully paid when issued and are generally not transferable.

Following are the unit transactions for the period from January 1 to June 30, 2010 and January 1 to December 31, 2009:

	2010	2009
Units outstanding,		
Beginning of year	7,867,379	5,384,157
Units issued for cash	3,736,929	7,346,070
Units redeemed	(656,995)	(5,251,327)
Units issued on		
reinvestment of distributions	-	388,479
Units outstanding, end of year	10,947,313	7,867,379

5. MANAGEMENT FEES AND EXPENSES

Ridgewood 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 GST) of the weighted average net asset value of the Fund less ordinary expenses of the Fund (the "Maximum Ordinary Expenses"). The Maximum Ordinary Expenses acts as a cap on the management fee and ordinary expenses of the Fund. The Maximum Ordinary Expenses acts as a cap on the management fee and ordinary expenses of the Fund.

Ordinary expenses are paid out of the assets of the Fund and include all normal day-to-day operating expenses of the Fund, including custodian, legal, accounting, audit and regulatory filing fees. Ordinary expenses do not include commissions, brokerage fees and other fees and disbursements directly relating to trading transactions, any taxes payable by the Fund, any interest expense and any expenses incurred in respect of matters not in the normal course of the Fund's day-to-day activities, all of which are the responsibility of the Fund. If the total ordinary expenses are greater than the Maximum Ordinary Expenses, Ridgewood will reimburse the Fund the amount of such excess.

6. DISTRIBUTIONS

Net income and net realized capital gains of the Fund may be declared payable to unitholders of the Fund from time to time at the discretion of Ridgewood, provided that in each year sufficient net income and net realized capital gains will be made payable to unitholders so that the Fund will not be liable for income tax thereon, except to the extent that any tax payable on net realized capital gains retained by the Fund would be immediately refundable to it.

Net income and net realized capital gains payable to unitholders of the Fund will be automatically reinvested in additional units of the Fund as of the valuation date of payment unless the unitholder otherwise requests in writing.

7. INCOME TAXES

The Fund qualifies as a "mutual fund trust" under the Income Tax Act (Canada). The Fund uses the "capital gains refund mechanism" which allows a mutual fund trust to retain some capital gains without paying any tax thereon. As a result, the Fund may not distribute all its net capital gains. The net income and net capital gains of the Fund that would otherwise be taxable in the Fund are either paid or payable to unitholders in each calendar year. Accordingly, no income tax is paid or payable by the Fund. Such income is taxable in the hands of the unitholders.

8. NET ASSET VALUE AND NET ASSETS

The Canadian securities regulatory authorities have published amendments to NI 81-106 that remove the

Ridgewood Canadian Bond Fund

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June 30, 2010 (Unaudited)

requirement that net asset value be calculated in accordance with Canadian GAAP effective September 8, 2008. As a result of the amendments, the Net Asset Value of the Fund will continue to be calculated using the fair value of investments using the close or last trade price ("Net Asset Value"). The adoption of these new rules will result in a different Net Assets per unit for financial reporting purposes and Net Asset Value per unit due to the use of different valuation techniques. The Net Asset Value per unit at June 30 is as follows:

June 30	2010	2009
Net Asset Value	11.84	10.99
Net Assets	11.81	10.97

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Fund's financial instruments consist of bonds, short term investments, and cash and cash equivalents. As a result, the Fund is primarily exposed to interest rate risk and credit risk.

These risks and related risk management practices employed by the Fund are discussed below:

Interest Rate Risk

The Fund's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The table summarizes the Fund's exposure to interest rate risks, categorized by the earlier of contractual re-pricing or maturity dates.

	Less than 1 month	1 - 3 months	3 months - 1 year
As at June 30, 2010			
Interest Rate Exposure	\$ -	\$ -	\$ 6,319,644

	1 - 3 years	3-5 years	More than 5 years
As at June 30, 2010			
Interest Rate Exposure	\$ 4,662,964	\$ 4,877,418	\$ 114,417,427

	Non Interest bearing	Total
As at June 30, 2010		
Interest Rate Exposure	\$ -	\$ 130,277,453

	Less than 1 month	1 - 3 months	3 months - 1 year
As at December 31, 2009			
Interest Rate Exposure	\$ -	\$ 6,928,482	\$ 94,561

	1 - 3 years	3-5 years	More than 5 years
As at December 31, 2009			
Interest Rate Exposure	\$ 7,650,165	\$ 10,537,245	\$ 62,055,211

	Non Interest bearing	Total
As at December 31, 2009		
Interest Rate Exposure	\$ -	\$ 87,265,664

At June 30, 2010, should interest rates have decreased by 100 basis points with all other variables remaining constant, the increase in net assets for the period would amount to approximately \$3.9 million (December 31, 2009 - \$5.4 million), arising substantially from the increase in market values of debt securities, with a small portion affecting interest rate futures. Conversely, if interest rates had risen by 100 basis points, the decrease in net assets would amount to approximately \$3.9 million (December 31, 2009 - \$5.4 million).

Credit Risk

Financial instruments that potentially subject the Fund to a concentration of a credit risk consist primarily of cash and cash equivalents, short-term investments, and long-term investments. The Fund limits its exposure to credit loss by placing its cash and cash equivalents and short-term investments with high quality government and financial institutions. To maximize the credit quality of its investments, the Fund's managers perform ongoing credit

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evaluations based upon factors surrounding the credit risk of customers, historical trends and other information.

The Fund's main credit risk concentration is spread between A and BBB rated securities.

The Fund invests in financial assets, which have an investment grade as rated by a well-known rating agency.

Portfolio by rating category June 30, 2010	
Rating	As a % of Net Assets
AAA/Aaa	33.80%
AA/Aa	6.13%
A/A	42.14%
BBB/Baa	18.69%
Unrated	0.00%
Total	100.76%

Portfolio by rating category December 31, 2009	
Rating	As a % of Net Assets
AAA/Aaa	44.88%
AA/Aa	8.79%
A/A	32.99%
BBB/Baa	12.90%
Unrated	0.00%
Total	99.56%

All transactions in listed securities are settled for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund's transactions and holdings are all in Canadian dollar, so there is no currency risk.

Liquidity Risk

Liquidity risk is the risk that a Fund will encounter difficulty in meeting obligations associated with its daily cash redemption of units. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and which can be readily disposed of and by retaining sufficient cash and cash equivalent positions.

The Fund's short-term investments of approximately \$4.3 million are invested in Canadian Government treasury bills with less than 180 days to maturity, so redemption requests can be readily facilitated. The Fund's accrued liabilities are generally due and paid within three months.

10. FUTURE ACCOUNTING POLICY CHANGES

The Fund will be required to comply with International Financial Reporting Standards for the year beginning January 1, 2011.

11. Financial Instruments – Disclosures

Fair Value Disclosure

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the amendment to CICA 3862. See Note 2 for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as of June 30, 2010 and December 31, 2009.

	Financial Assets at fair value as of June 30, 2010			Total
	Level 1	Level 2	Level 3	
Bonds	-	102,788,430	-	102,788,430
Mortgage Backed Secur	-	11,483,620	11,712,979	23,196,599
Short Term Investments	-	4,292,424	-	4,292,424
	-	118,564,474	11,712,979	130,277,453

	Financial Assets at fair value as of December 31, 2009			Total
	Level 1	Level 2	Level 3	
Bonds	-	75,451,382	4,885,800	80,337,182
Short Term Investments	-	6,928,482	-	6,928,482
	-	82,379,864	4,885,800	87,265,664

The following is a reconciliation of Level 3 fair value assets from January 1, 2010 to June 30, 2010 and January 1, 2009 to December 31, 2009. The potential impact of using other reasonable assumptions for valuing the level 3 assets would increase or decrease their fair value by a minimal amount.

Fair value measurements using Level 3 inputs

	Equities
Balance at January 1, 2010	4,885,800
Net purchases and sales	6,020,342
Net transfers in (out)	84,335
Gains (Losses)	-
Realized	722,502
Unrealized	-
Balance at June 30, 2010	11,712,979

Ridgewood Canadian *Bond Fund*

Notes to the Financial Statements

June 30, 2010 (Unaudited)

Fair value measurements using Level 3 inputs

	Equities
Balance at January 1, 2009	
Net purchases and sales	4,884,600
Net transfers in (out)	-
Gains (Losses)	-
Realized	-
Unrealized	1,200
Balance at December 31, 2009	<u>4,885,800</u>

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