



Ridgewood Canadian Bond Fund

Interim Report of Fund Performance
For the six months ended June 30, 2011

Ridgewood Canadian Bond Fund

Management Report on Fund Performance

For the six months ended June 30, 2011

Management Report on Fund Performance

This interim management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financials statement 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. Security holders may also contact us using one of these methods to request a copy of the Fund's quarterly portfolio disclosure.

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, 2010

	% of Net Asset Value		% of Net Asset Value
Corporate Bonds	77.7	Cash & Short-Term Investments	13.3
Federal Bonds	9.7	Other Net Assets (Liabilities)	-.7

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Top 25 Holdings

	% of Total Net Asset Value
1. Government of Canada Nov 10 2011	13.2%
2. Government of Canada Jun 1 2021	9.7%
3. Merrill Lynch Financial 5.29% May 30 2022	7.5%
4. Merrill Lynch Financial 5.54% Aug 17 2017	7.1%
5. Yellow Media Inc 7.75% Mar 2 2020	6.8%
6. Goldman Sachs Group Inc. 5.200% Apr 19 2022	5.7%
7. Metropolitan Life 2.19% Jun 17 2014	5.6%
8. Citigroup Inc 5.2% Oct 11 2022	5.2%
9. Citigroup Inc 5.16% May 24 2027	4.9%
10. Merrill Lynch Financial 4.878% April 12 2017	4.1%
11. Teranet Holdings 6.1% June 17 2041	4.0%
12. Merrill Lynch Financial 5.467% June 12 2039	3.8%
13. Capital Power Income 5.95% June 23 2036	3.4%
14. The Toronto Dominion Bank 6.631% June 30 2108	3.1%
15. Brookfield Renewable Power 5.84% Nov 5 2036	2.8%
16. Teranet Holdings 5.754% Dec 17 2040	2.7%
17. MLFA 2007-CA21 A 4.642% Oct 12 2016	2.6%
18. Shaw Communications Inc. 6.75% Nov 09 2039	2.2%
19. Canada Life 7.529 June 30 2032	.7%
20. Bell Canada 7.3% Feb 23 2032	.6%
21. Canadian Tire Corp 4.765% May 20 2014	.6%
22. Real Estate Asset Liquidity Trust 5.114% Oct 12 2020	.5%
23. George Weston Limited 5.86 Jun 18 2043	.4%
24. Canadian Tire Corp 4.571% Nov 18 2011	.4%
25. N-45 First OMBS 5.667 Nov 15 2020	.1%
	97.7%

Results of Operations

For the six months ended June 30, 2011, the net asset value of the Fund for pricing purposes was \$11.32 per unit compared to \$11.27 per unit at December 31, 2010.

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

For the six months ended June 30, 2011, the fund had a positive return of 2.80% net of fees of 1.15% while the DEX Universe Bond Index had a return of 2.20%. The bond market has been a safe and profitable sector of the capital markets with virtually all credit markets providing attractive opportunities. The strategy of the Fund has been to overweight corporate bonds relative to its benchmark as yields represent value relative to Government bonds. Term to maturity was also longer than average, which enabled the Fund to produce positive results.

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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 past five years. This information for the years ended December 31 is derived from the Fund's audited annual financial statements.

Information for the period ended June 30, 2010 is derived from the Fund's unaudited semi-annual financial statements. For June 30, 2010, the Net Assets included in the Net Assets per Unit table is from the Fund's unaudited financial statements and calculated using bid prices while the Net Asset Value included in the Ratios/Supplemental Data table is for Fund pricing purpose and calculated using closing prices. All other calculations for the purposes of this MRFP are made using Net Asset Value.

	Six months ended	Years ended December 31			
	2011	2010	2009	2008	2007
THE FUND'S NET ASSETS PER UNIT					
Net Assets, Beginning of Period ⁽¹⁾	\$ 11.26	\$ 11.14	\$ 10.38	\$ 10.17	\$ 10.21
INCREASE (DECREASE) FROM OPERATIONS					
Total revenue	0.30	0.66	0.58	0.48	0.52
Total expenses	0.07	(0.14)	(0.13)	(0.11)	(0.11)
Realized gain (loss) for the period	0.08	0.28	0.72	0.03	(0.26)
Unrealized gain (loss) for the period	(0.27)	0.07	0.18	0.09	(0.06)
Total Increase (Decrease) from Operations ⁽²⁾	0.18	0.87	1.35	0.49	0.09
DISTRIBUTIONS TO UNITHOLDERS					
From taxable income	(0.20)	(0.51)	(0.44)	(0.33)	0.24
From capital gains	-	(0.31)	(0.22)	-	-
Total distributions ⁽³⁾	-(0.20)	(0.82)	(0.66)	(0.33)	0.24
Net Assets, End of Period ⁽¹⁾	\$ 11.32	\$ 11.26	\$ 11.14	\$ 10.38	\$ 10.17
<p>(1) This information is derived from the Fund's audited annual and unaudited semi-annual financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. Net Assets per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities on that date and including the valuation of securities at bid prices divided by the number of units then outstanding.</p> <p>(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 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 period.</p> <p>(3) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution and were paid in cash.</p>					
RATIOS/SUPPLEMENTAL DATA					
Net Asset Value, end of period (\$millions)	\$177.37	\$136.68	\$87.88	\$55.96	\$34.64
Number of units outstanding	15,641,290	12,101,350	7,867,379	5,384,157	3,407,671
Management expense ratio (including GST) ⁽¹⁾	1.15%	1.12%	1.07%	1.04%	1.06%
Management expense ratio including expenses absorbed by the Manager	1.15%	1.12%	1.24%	1.04%	1.06%
Portfolio turnover rate ⁽²⁾	235.07%	171.54%	272.92%	212.66%	273.89%
Net Asset Value per unit, end of period ⁽³⁾	\$ 11.34	\$ 11.29	\$ 11.17	\$ 10.39	\$ 10.17

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- (1) Management expense ratio is the ratio of all fees and expenses, including goods and service taxes but excluding transaction fees charged to the Fund to the average net assets.
- (2) 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.
- (3) 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) of the weighted average net asset value of the Fund less ordinary expenses of the Fund. The management fee is calculated on a monthly basis as of the last valuation date of each month. 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.

Recent Developments

The Bank of Canada has been on hold in regard to interest rates this year and has recently stated that it is likely to remain on hold given the uncertain global economic environment. They are acutely aware of the recent credit crisis in Europe and the resulting slowdown it will have on global growth. Also, the U.S. economy has been showing signs of deceleration lately and the Canadian market is closely linked, to the extent that we will feel the effects very soon. The Canadian dollar has been very strong given the attractiveness of our capital markets and this has helped keep inflation in check. A strong dollar also has the affect of a potential drag on future growth.

It appears that the global economy is heading into a soft patch in the second half of 2011 and our focus therefore will be on being fully invested for our bond portfolios. We prefer bonds with longer maturities given the steepness of the yield curve and the fact that overnight interest rates will not rise for the foreseeable future. Corporate bonds represent excellent value and will continue to be one of the top performing sectors.

Past Performance

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

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.

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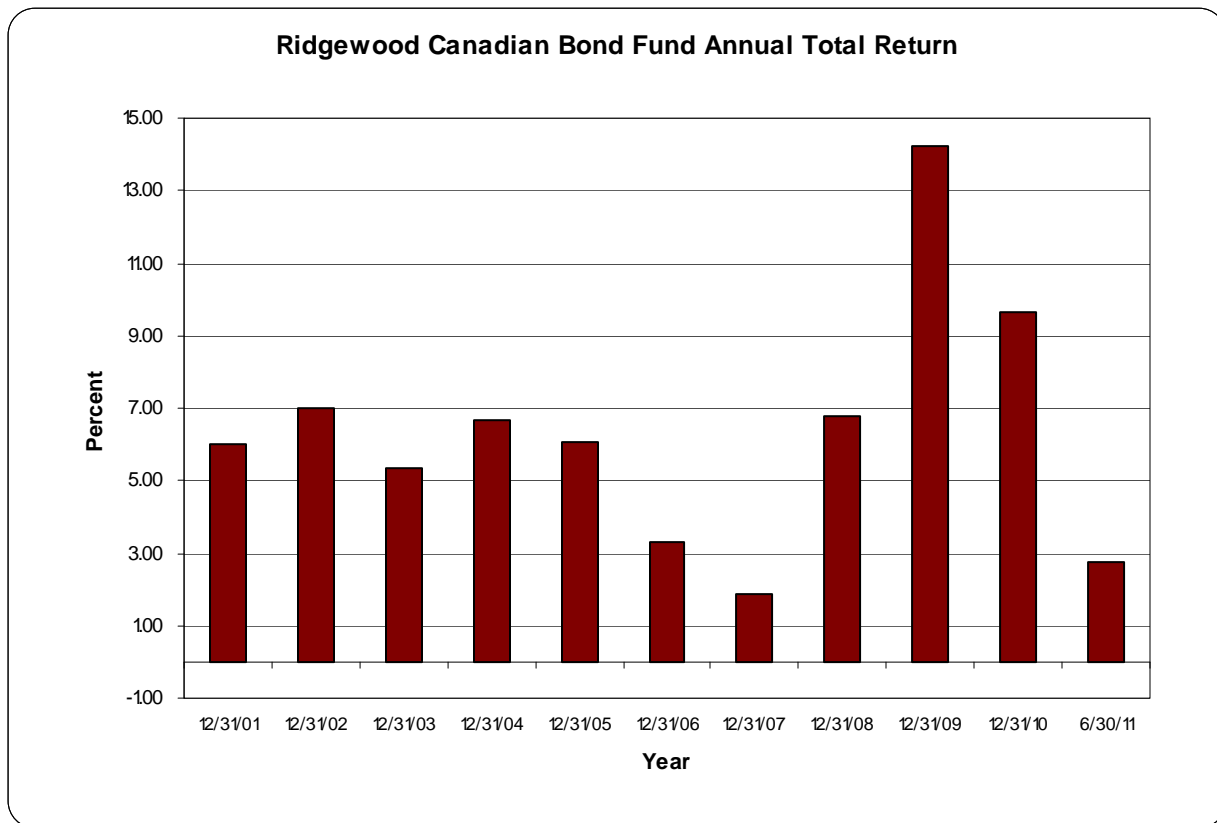
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Year-By-Year Returns

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, 2011 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, 2011 for the six months then ended.

Annual Total Return



Related Party Transactions

Ridgewood Capital Asset Management Inc. (“Ridgewood”) manages the Fund’s investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to a Master Investment Management Agreement made between Ridgewood in its capacity as investment advisor and Ridgewood in its capacity as trustee dated September 1, 2008.

Ridgewood is the Manager and Trustee of the Fund pursuant to a Declaration of Trust dated September 1, 2008, and, as such, is responsible for providing or arranging for required administrative services to the Fund.

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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 year.

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.

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