



Ridgewood Canadian Investment Grade Bond Fund

Interim Financial Report (Unaudited)
For the six months ended June 30, 2024

Ridgewood Canadian Investment Grade Bond Fund
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Message to Unitholders

It has been an eventful first half of 2024 as during the first several months markets were eagerly waiting for rate cuts from the US Federal reserve and the Bank of Canada. During this period, it became clear that the economic data had yet to support an easing of monetary conditions. The economy was slowing, and rate cuts were on the horizon, but timing was further delayed. At the end of the first half of 2024, the US Federal reserve had yet to lower the FED funds rate which is currently 5.50%. Meanwhile, the Bank of Canada waited until June 5, 2024, to start easing monetary conditions with a 25 bps rate reduction to bring rates to 4.75%. Corporate bonds continue to perform well in this environment as they provide an additional yield over lower yielding Government bonds.

During the first quarter, the bond market experienced a negative return of 1.22% as investors were forced to continue to wait for interest rate cuts and digest the fact that markets had priced in too much easing. This resulted in a reset of market consensus. The top 2 performing sectors were Financial and Real Estate bonds with returns of 0.83% and 0.95%. Within Corporates, Corporate AAA/AA had the best performance at 0.50%. The Canadian stock market had a solid performance as the S&P/TSX returned 5.77% for the quarter.

In the second quarter, increased volatility resulted in negative returns for stocks, but bonds were able to fare better as the Bank of Canada finally began cutting interest rates. Further evidence of over stretched Canadian consumers led to the S&P/TSX returning -1.39%. A shift in monetary policy led to the bond markets returning 0.86% for the quarter. As the rate cut occurred at the beginning of June, the bond market rally was mostly captured in the month with a return of 1.13%. Corporate debt outperformed the benchmark with a return of 1.09%.

The FTSE Canada Universe Bond Index returned -0.38% year to date while the Corporate Bond Index returned 1.16%. Securitization bonds were the strongest sector, returning 2.52%. It was also the case that Corporate AAA/AA and BBB bonds returned 1.69% and 1.58%, primarily due to characteristics of the index, which has a higher coupon than the Universe Bond Index. Higher quality corporate bonds will likely continue to outperform in the second half with additional interest rate cuts from the Central banks as the economy continues to slow. The yield curve continues to be inverted and historically an inversion has preceded a growth slowdown/recession. We are comfortable remaining fully invested and overweighted in BBB corporate bonds.

Ridgewood Canadian Investment Grade Bond Fund

Interim Financial Report 2024 (Unaudited)

UNAUDITED INTERIM REPORT STATEMENT

The accompanying interim 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 compliance with International Financial Reporting Standards.

Ridgewood Canadian Investment Grade Bond Fund

The interim financial statements have been prepared by management in accordance with IFRS (International financial reporting standards) 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 4 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
Director
Ridgewood Capital Asset Management Inc.



Paul W. Meyer
Director
Ridgewood Capital Asset Management Inc.

August 19, 2024

Ridgewood Canadian Investment Grade Bond Fund

Statements of Financial Position (unaudited)

As at June 30, 2024 (unaudited) and December 31, 2023

	June 30, 2024	December 31, 2023
	\$	\$
Assets		
Financial asset at fair value through profit or loss (cost 30-Jun-24 - \$318,392,885; 31-Dec-23 - \$299,102,913)	315,239,841	289,276,778
Cash	238,448	135,676
Receivable for investments sold	-	969,907
Accounts receivable relating to units issued	30,000	-
Accrued interest receivable	2,857,064	2,674,088
Total Assets	318,365,353	293,056,449
Liabilities		
Redemptions payable	50,700	-
Accrued expenses	460,263	514,600
Payable for investments purchased	-	1,914,245
Distribution payable	-	984,518
Loan payable (Note 10)	98,706,039	50,244,894
Total Liabilities	99,217,002	53,658,257
Net assets attributable to holders of redeemable units	219,148,351	239,398,192
Number of units outstanding, Class A (Note 5)	16,564,375	18,575,820
Net assets attributable to holders of redeemable units per unit	13.23	12.89

(see accompanying notes to annual financial statements)

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board of Directors of the Manager:



John H. Simpson, CFA
Managing Director



Paul W. Meyer, CFA
Managing Director

Ridgewood Canadian Investment Grade Bond Fund

Statements of Comprehensive Income (unaudited)

For the 6 months ended June 30, 2024 and 2023

	June 30, 2024	June 30, 2023
	\$	\$
Income		
Interest for distribution purposes	9,008,847	7,664,414
Other changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized loss on sale of investments	(241,622)	(5,302,716)
Net realized loss of foreign exchange on cash	(2)	-
Net realized gain on foreign exchange	18,202	-
Net change in unrealized appreciation of investments	6,673,202	2,195,963
Total operating income	15,458,627	4,557,661
Expenses		
Management fees (Note 6)	634,946	647,322
Administration fees	318,205	248,878
Legal fees	13,884	20,952
Audit fees	2,918	-
Independent Review Committee fees	15,179	5,048
Transaction costs	68	-
Total operating expenses	985,200	922,200
Operating (loss) profit	14,473,427	3,635,461
Finance cost		
Interest and bank fees (Note 10)	2,705,635	1,775,771
Increase in net assets attributable to holders of redeemable units	11,767,792	1,859,690
(Decrease) increase in net assets attributable to holders of redeemable units per unit, Class A (based on weighted average number of units outstanding during the period -)		
(2024 - \$18,076,432; 2023 - 18,575,820)	0.65	0.10

The accompanying notes are an integral part of the financial statements.

Ridgewood Canadian Investment Grade Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (unaudited)

For the 6 months ended June 30, 2024 and 2023

	June 30, 2024	June 30, 2023
	\$	\$
Net assets attributable to holders of redeemable units at beginning of period	239,398,192	235,317,450
(Decrease) increase in net assets attributable to holders of redeemable units	11,767,792	1,859,690
Distributions:		
From net investment income	(5,699,169)	(5,907,111)
	6,068,623	(4,047,421)
Redeemable unit transactions:		
Proceeds from the issuance of units of the investment fund	862,823	-
Aggregate amounts paid on redemption of units of the investment fund	(27,181,287)	-
	(26,318,464)	-
Net assets attributable to holders of redeemable units at end of period	219,148,351	231,270,029

The accompanying notes are an integral part of the financial statements.

Ridgewood Canadian Investment Grade Bond Fund

Statements of Cash Flows (unaudited)

For the 6 months ended June 30, 2024 and 2023

	June 30, 2024	June 30, 2023
	\$	\$
Cash (used in) provided by operating activities		
Net increase in net assets attributable to holder of redeemable Units	11,767,792	1,859,690
Adjustments for:		
Net realized loss on sale of investments	241,622	5,302,716
Net change in unrealized (appreciation) of investments	(6,673,202)	(2,195,963)
Net loss on foreign exchange on cash	2	-
Purchase of investments	(194,681,006)	(175,272,412)
Proceeds from sale of investments	174,205,185	116,200,005
Increase in accrued interest receivable	(182,976)	(184,825)
(Decrease) increase in accrued expenses	(54,337)	185,184
	(15,376,920)	(54,105,605)
Cash flows from (used in) financing activities		
Proceeds from the issuance of units of the investment fund	832,823	-
Aggregate amounts paid on redemption of units of the investment fund	(27,130,587)	-
Distributions paid to unitholders	(6,683,687)	(7,519,822)
Change in loan payable	48,461,145	66,641,256
	15,479,694	59,121,434
Foreign exchange gain (loss) on cash	(2)	
Increase (decrease) in cash during the period	102,774	5,015,829
Cash, beginning of period	135,676	15,341
Cash, end of period	238,448	5,031,170
Supplemental information on cash flows from operating activities		
Interest received	8,825,871	7,479,589
Interest paid	3,379,491	1,600,818

The accompanying notes are an integral part of the financial statements.

Ridgewood Canadian Investment Grade Bond Fund

Schedule of Investments (unaudited)
As at June 30, 2024

Par Value	Security	Average Cost	Fair Value	% of net assets
	Canadian Bonds	\$	\$	
	Corporate Bonds			
7,000,000	Bank of Montreal, Variable Rate, Callable, 5.63%, 2082/05/26	6,665,000	6,807,385	
6,500,000	Bank of Montreal, Variable Rate, Perpetual, 7.06%, 2028/04/26*	6,541,830	6,586,697	
6,000,000	Bank of Montreal, Variable Rate, Perpetual, 7.37%, 2049/12/31*	6,000,000	6,134,952	
7,515,000	Bank of Nova Scotia, Series '1', Variable Rate, Callable, 3.70%, 2081/07/27	7,390,754	6,166,942	
8,458,000	Cameco Corp., 5.09%, 2042/11/14*	8,519,665	7,947,318	
2,500,000	Canadian Imperial Bank of Commerce, Series '57', Variable Rate, Perpetual, 7.34%, 2049/12/31	2,500,000	2,549,080	
5,500,000	Canadian Imperial Bank of Commerce, Variable Rate, Callable, 4.38%, 2080/10/28	5,122,816	5,345,612	
5,612,000	Canadian Imperial Bank of Commerce, Variable Rate, Callable, 7.15%, 2082/07/28*	5,609,340	5,666,421	
5,000,000	Empire Life Insurance Co. (The), Series '1', Variable Rate, Callable, 3.63%, 2081/04/17	5,049,600	4,205,732	
9,000,000	Enbridge Inc., Variable Rate, Convertible, Callable, 8.50%, 2084/01/15*	9,079,805	9,648,840	
5,000,000	First West Credit Union, Callable, 9.19%, 2033/08/09*	5,000,000	5,384,089	
5,452,000	Great-West Lifeco Inc., Series '1', Variable Rate, Callable, 3.60%, 2081/12/31*	5,202,741	4,556,850	
10,500,000	iA Financial Corp., Variable Rate, Callable, 6.92%, 2084/09/30	10,515,000	10,460,153	
3,000,000	Intact Financial Corp., Variable Rate, Callable, 7.34%, 2083/06/30	3,027,780	3,065,520	
6,000,000	Inter Pipeline Ltd., Callable, 4.64%, 2044/05/30*	5,125,590	4,962,246	
3,000,000	Inter Pipeline Ltd., Callable, 6.59%, 2034/02/09*	2,998,830	3,140,178	
4,000,000	Inter Pipeline Ltd., Series '13', Callable, 5.09%, 2051/11/27*	3,548,080	3,443,147	
5,500,000	Laurentian Bank of Canada, Variable Rate, Callable, 5.10%, 2032/06/15*	5,065,373	5,254,170	
4,500,000	Manulife Financial Corp., Series '1', Variable Rate, Callable, 3.38%, 2081/06/19*	4,268,643	3,765,751	
5,015,000	Manulife Financial Corp., Variable Rate, Callable, 4.10%, 2082/03/19*	4,998,551	4,133,269	
10,000,000	Manulife Financial Corp., Variable Rate, Callable, 7.12%, 2082/06/19	10,025,233	10,112,798	
7,500,000	National Bank of Canada, Series '1', Variable Rate, Callable, 4.30%, 2080/11/15*	7,293,394	7,261,899	
5,000,000	National Bank of Canada, Variable Rate, Callable, 4.05%, 2081/08/15	3,931,250	4,190,989	
2,000,000	National Bank of Canada, Variable Rate, Callable, 7.50%, 2082/11/16	2,014,620	2,037,022	
2,500,000	NFI Group Inc., Convertible, Callable, 5.00%, 2027/01/15	2,182,058	2,330,875	
2,000,000	Pembina Pipeline Corp., Callable, 5.67%, 2054/01/12*	2,019,340	2,018,064	
9,000,000	Pembina Pipeline Corp., Variable Rate, Callable, 4.80%, 2081/01/25*	8,829,383	8,086,252	
4,700,000	Royal Bank of Canada, Series '2', Variable Rate, Callable, 4.00%, 2081/02/24	4,188,000	4,508,581	
4,750,000	Royal Bank of Canada, Variable Rate, 4.50%, 2080/11/24	4,463,072	4,633,964	
3,000,000	Royal Bank of Canada, Variable Rate, Callable, 3.65%, 2081/11/24	2,254,800	2,495,923	
4,500,000	Royal Bank of Canada, Variable Rate, Callable, 7.50%, 2084/05/02	6,197,175	6,364,576	
9,750,000	Sagen MI Canada Inc., Variable Rate, Callable, 4.95%, 2081/03/24*	9,627,980	8,724,522	
12,000,000	Sagicor Financial Co. Ltd., Callable, 6.36%, 2029/06/20*	12,000,000	11,923,229	
6,500,000	Teranet Holdings L.P., Callable, 5.75%, 2040/12/17*	6,311,085	6,277,088	
1,000,000	Toronto-Dominion Bank (The), Series '1', Variable Rate, Callable, 3.60%, 2081/10/31*	985,964	833,071	
7,100,000	TransAlta Corp., Step Coupon, 6.90%, 2030/11/15*	7,528,576	7,401,750	
10,159,000	TransAlta Corp., 7.30%, 2029/10/22*	11,055,015	10,689,443	
6,500,000	Trisura Group Ltd., Callable, 2.64%, 2026/06/11*	6,500,000	6,211,693	
493,000	WildBrain Ltd., Convertible, Callable, 5.88%, 2024/09/30	472,897	475,720	
		233,077,012	228,629,275	104.33%
	Government Bonds			
3,000,000	Canada Housing Trust No. 1, 3.70%, 2029/06/15*	3,007,750	2,998,652	
10,000,000	Government of Canada, 2.75%, 2055/12/01*	8,924,931	8,762,931	
		11,932,681	11,761,583	5.37%
	Mortgage-Backed Securities			
2,422,000	Institutional Mortgage Securities Canada Inc., Class 'C', Series '16-7', Variable Rate, Callable, 3.60%, 2026/10/12	2,332,690	2,290,001	
8,677,000	Institutional Mortgage Securities Canada Inc., Class 'D', Series '2015-6', Variable Rate, Callable, 3.95%, 2025/03/12	8,104,143	8,418,425	
6,460,000	Institutional Mortgage Securities Canada Inc., Class 'D', Series '2016-7', Variable Rate, Callable, 3.84%, 2026/10/12	5,681,760	6,040,100	
2,523,000	Institutional Mortgage Securities Canada Inc., Class 'E', Series '2016-7', Variable Rate, Callable, 3.84%, 2026/10/12	2,110,162	2,292,902	
5,731,000	Real Estate Asset Liquidity Trust, Class 'C', Series '19-1', Variable Rate, Callable, 4.02%, 2029/05/12	5,623,398	5,081,105	
3,460,000	Real Estate Asset Liquidity Trust, Class 'C', Series '20-1', Callable, 3.55%, 2030/01/12	3,457,350	2,934,080	
14,121,000	Real Estate Asset Liquidity Trust, Class 'C', Series '2019-HBC', Variable Rate, Callable, 4.43%, 2024/06/14	12,725,577	14,084,285	
8,000,000	Real Estate Asset Liquidity Trust, Class 'D', Series '16-2', Callable, 3.62%, 2026/05/12	7,091,600	7,598,400	
6,213,000	Real Estate Asset Liquidity Trust, Class 'D', Series '2016-1', Variable Rate, Callable, 3.70%, 2026/05/12	5,428,965	5,862,587	
1,375,000	Real Estate Asset Liquidity Trust, Class 'D1', Series '19-1', Variable Rate, Callable, 4.45%, 2054/06/12	1,189,650	1,187,706	
716,000	Real Estate Asset Liquidity Trust, Class 'D1', Series '2018-1', Variable Rate, Restricted, Callable, 4.40%, 2028/05/12	633,273	631,942	
5,513,000	Real Estate Asset Liquidity Trust, Class 'E', Series '2016-1', Variable Rate, Callable, 3.69%, 2026/05/12	4,642,375	5,121,577	
5,269,000	Real Estate Asset Liquidity Trust, Class 'E', Series '2016-2', Variable Rate, Callable, 3.89%, 2026/06/12	4,466,456	4,860,653	
		63,487,399	66,403,763	30.30%
2,500,000	Retained Vantage Data Centers Issuer LLC, Class 'A2B', Series '23-1A', Callable, 5.25%, 2048/09/15	2,222,186	2,380,000	
	Total U.S. Bonds	9,895,793	8,445,220	3.85%
	Foreign Bonds			
	Corporate Bonds			
	Total Foreign Bonds	0	0	0.00%
	Transaction Costs	(111)		
	Total Investment Portfolio	318,392,774	315,239,841	143.85%
	Cash and cash equivalents		238,448	0.11%
	Other assets less liabilities		(96,329,938)	-43.96%

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2024 (unaudited)

1. ESTABLISHMENT OF THE FUND

Ridgewood Canadian Investment Grade Bond Fund (the "Fund") is an alternative mutual fund (2023 - closed-end investment fund) established under the laws of the Province of Ontario pursuant to the Declaration of Trust dated November 27, 2009, as amended and restated. Ridgewood Capital Asset Management Inc. ("Ridgewood" or the "Manager") is the Manager and Trustee of the Fund. The Fund's principal office is 55 University Avenue, Suite 904, Toronto, Ontario M5J 2H7. The fiscal year end of the Fund is December 31.

Ridgewood is also the investment manager of the Fund. CIBC Mellon Trust Company is the custodian and registrar, and AST is the transfer agent of the Fund, and, as such, they perform certain valuation and other services for the Fund. The Fund commenced operations on December 18, 2009. On September 24, 2019, unitholders approved the indefinite extension of the term of the Fund from December 31, 2019 onward. On March 20, 2024, unitholders approved the conversion of the Fund from a closed-end fund to an alternative mutual fund; as an alternative mutual fund, the daily NAV will be used for pricing in the future and will continue to be allowed to use leverage in the fund. The financial statements were authorized for issuance by Ridgewood Capital Asset Management Inc. on August 19, 2024.

1. INVESTMENT OBJECTIVE OF THE FUND

The investment objective of the Fund is to maximize total returns for unitholders while preserving capital in the long term. The portfolio of securities of the Fund (the "Portfolio") will be invested primarily in Investment grade bonds issued by Canadian issuers available to domiciled investors. Investment grade bonds mean debt securities and term loans that are generally rated at or above BBB- from S&P, or Baa3 or higher from Moody's Investor Services Inc., or a similar rating from a qualified rating agency. Currently, the Fund may invest up to 25% of the Portfolio in investment grade bonds issued by non-Canadian issuers. As at June 30 of each year (each a "determination date"), at least 90% of the Portfolio will be invested in securities denominated in Canadian dollars.

3. BASIS OF PRESENTATION AND ADOPTION OF IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") Including International Accounting Standards (IAS) 34: Interim Financial Reporting as published by the International Accounting Standards Board (IASB).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives, cash and other trade receivable and payables. All financial assets and liabilities are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership.

a) Classification and Measurement

The investments are classified as at fair value through profit or loss. The Fund classifies its investments in debt and equity securities and open-ended investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed, and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales.

Financial assets and financial liabilities at amortized cost

The financial assets and liabilities measured at amortized cost include loans payable, accrued interest receivable, cash, accrued expenses and distribution payable.

IFRS 9 Financial Instruments ("IFRS 9")

Financial assets carried at amortized cost are subjected to expected credit loss model ("ECL"), as required by IFRS 9. The Fund's financial assets measured at amortized cost consist of trade receivables with no financing component and which have maturities of less than 12 months, as such, it has chosen to apply the simplified ECL approach, whereby any loss allowance is recognized based on the lifetime ECLs. Given the short-term nature of the trade receivables and high credit quality, these trade receivables are not considered impaired.

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2024 (unaudited)

related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

Capital Disclosures

The Fund's objectives, policies and processes for managing capital are described in Note 2. Information on the Fund's capital structure is described in Note 5. The Fund does not have any externally imposed capital requirements.

Valuation of Investments

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

Bonds are valued at the mean of bid/ask prices provided by recognized investment dealers.

Short-term notes and treasury bills are stated at amortized cost, which approximates fair value, are included in the Schedule of investments.

Cash is comprised of cash on deposit.

Investment Transactions and Income Recognition

Investment transactions are recorded on trade date. Interest income from investments in bonds and short-term investments are accrued daily. Realized gains and losses from investment transactions are calculated on a weighted average cost basis.

Income Recognition

Interest income for distribution purposes resulting from investments in bonds is recognized on an accrual basis based on the bond coupon rate.

Financial Instruments – Disclosures

The Fund classifies fair value measurements within a hierarchy that prioritize 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 measurement). 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.

- 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.

All fair value measurements above are recurring. The carrying values of cash, receivable for investments sold, interest receivable, payable for investments purchased, payable, distributions payable, accrued liabilities and the Fund's obligation for net assets attributable to holders of redeemable units approximates their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

a) Bonds and short-term investments

Bonds include primarily government and corporate bonds. Short-term notes and treasury bills are stated at amortized cost, plus accrued interest, which approximates fair market value. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2.

Please see Note 12 for these disclosures.

Foreign currency

a) Functional and presentation currency

Items included in the annual financial statements of the Fund are measured in the currency of the primary economic environment in which the Fund operates (the "functional currency"). The annual financial statements of the Fund are presented in CAD which is the Fund's functional currency.

b) Foreign currency translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary items and non-monetary assets and liabilities that are denominated in foreign currencies are recognized in profit or loss in the period in which they arise. Foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognized together with other changes in fair value.

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2024 (unaudited)

Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

a) Fair value measurement of derivatives and securities not quoted in an active market

The Fund holds financial instruments that are not quoted in active markets. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding.

The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 13 – Financial Instruments – Fair Value Disclosure for further information about the fair value measurement of the Fund's financial instruments.

b) Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about whether or not the business of the Fund is to manage its portfolio of investments and evaluate performance on a fair value basis and that the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The most significant judgments made include assessing and determining the appropriate business model that enables the decision that the Fund's investments are classified as fair value through profit or loss ("FVTPL").

5. REDEEMABLE UNITS

Each unitholder in the Fund acquires redeemable units, which represent an undivided interest in the net assets of the Fund. All redeemable units are of the same class with equal rights and privileges. Each redeemable 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 redeemable unit is redeemable at the option of the unitholder in accordance with the Trust Agreement. The units of the Fund are fully paid when issued.

Following are the redeemable unit transactions during the period:

June 30, 2024

	2024
Units outstanding	
Beginning of year	18,575,820
Redeemable units issued for cash	65,742
Redeemable units redeemed	(2,077,187)
Units issued on	
reinvestment of distributions	-
Units outstanding, end of year	16,564,375

December 31, 2023

	2023
Units outstanding	
Beginning of year	18,575,820
Redeemable units issued for cash	-
Redeemable units redeemed	-
Units issued on	
reinvestment of distributions	-
Units outstanding, end of year	18,575,820

6. RELATED PARTY TRANSACTIONS

The Fund's investment activities are managed by Ridgewood.

Management fees

Under the terms of the management agreement dated November 27, 2009 as amended and restated on December 17, 2009, the Fund appointed the Manager to provide management services. The Manager receives a fee based on the NAV of the Fund's units, accrued daily and payable monthly 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. 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. Total Management fees for the period ended June 30, 2024 amounted to \$634,946 (June 30, 2023 - \$647,322).

Independent Review Committee fees

The total remuneration paid to members of the Independent Review Committee during the period ended June 30, 2024 was \$15,179 (June 30, 2023 - \$5,048).

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

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7. MANAGEMENT FEES AND EXPENSES

Ridgewood is responsible for providing, or causing to be provided, management and administrative services and facilities to the Fund, and may delegate certain of its powers to third parties.

The Fund also pays for all expenses incurred in connection with its operations and administration, including, without limitation, mailing and printing expenses for periodic reports to unitholders and other unitholder communications including marketing and advertising expenses; fees payable to the Custodian, the registrar and transfer agent, the valuation Agent, prime broker and/or other parties engaged by the Fund for performing certain financial, record keeping, reporting and general administrative services are charged to the Fund; any reasonable out-of-pocket expenses incurred by the

Manager or its agents in connection with their ongoing obligations to the Fund; any additional fees payable to the Manager for performance of extraordinary services on behalf of the Fund; fees payable to the auditors and legal advisors; regulatory filing, stock exchange and licensing fees; any expenditures incurred upon the termination of the Fund; and fees payable to the members of the independent review committee of the Fund. Such expenses will also include the expenses of any action, suit or other proceedings in which or in relation to which the Manager or any other party is entitled to indemnity by the Fund. The Fund also is responsible for any taxes payable by the Fund or to which the Fund may be subject, interest expenses on borrowing, its costs of portfolio transactions and any extraordinary expenses which it may incur from time to time.

8. BROKERAGE COMMISSIONS

The Fund uses some of the commissions generated from transactions with the brokerage industry for goods and services used in the investment decision making process and order executions.

9. 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.

10. LOAN PAYABLE INTEREST AND BANK FEES

The Fund has a margin account held at Scotiabank which requires collateral against loans (see Schedule of Investments). The Fund can borrow an amount up to 35% of the total assets of the Fund.

Loan Payable

As at June 30, 2024, the balance of the account was \$98,706,039 (December 31, 2023 - \$50,244,894). During the period, the maximum amount borrowed was \$130,006,930 (December 31, 2023 - \$91,494,036) and the minimum amount borrowed was \$50,182,758 (December 31, 2023 - \$14,491,024).

Interest and Bank Fees

Total interest and bank fees on the account were \$2,705,635 for the period (December 31, 2023 - \$3,497,151). The account is charged interest based on Bloomberg Ticker Reference plus 60 bps on debit spread or minus 25 bps on credit spread. If interest rates had increased/decreased by 100 basis points, interest expense would have changed by approximately \$500,717 (December 31, 2023 - \$657,147).

11. 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 of 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.

As at December 31, 2023 taxation year-end, the Fund had \$30,975,787 of capital losses (2022 - \$20,465,243) and no non-capital losses available for carryforward (2022 - \$Nil).

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Fund's financial instruments consist of bonds, asset-backed securities, liabilities for securities redeemed, cash and loan payable. 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:

Ridgewood Canadian Investment Grade Bond Fund

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Interest Rate Risk

The Fund's interest-bearing financial assets 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. Since the loan payable is a short-term obligation the interest rate sensitivity is minimal.

The table summarizes the Fund's exposure to interest rate risks, categorized by the earlier of contractual re-pricing or maturity date As at June 30, 2024:

	Less than 1 month	1-3 months	3 months -1 year
Loan payable	\$	\$	\$
Interest Rate Exposure	-	98,706,039	-

	Less than 1 year	1-3 years	3-5 years	More than 5 years
Investments	\$	\$	\$	\$
Interest Rate Exposure	8,894,146	42,608,787	20,634,928	243,101,980

	Non Interest bearing	Total
	\$	\$
Interest Rate Exposure	-	315,239,841

As at December 31, 2023:

	Less than 1 month	1-3 months	3 months -1 year
Loan payable	\$	\$	\$
Interest Rate Exposure	-	50,244,894	-

	Less than 1 year	1-3 years	3-5 years	More than 5 years
Investments	\$	\$	\$	\$
Interest Rate Exposure	23,628,649	56,360,147	629,651	208,658,330

	Non Interest bearing	Total
	\$	\$
Interest Rate Exposure	-	289,276,778

At June 30, 2024, 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 \$4.2 million (December 31, 2023 - \$3.5 million), arising from the increase in market values of debt securities. Conversely, if interest rates had risen by 100 basis points, the decrease in net assets would amount to approximately \$4.2 million (December 31, 2023 - \$3.5 million).

Credit Risk

Financial instruments that potentially subject the Fund to a concentration of a credit risk consist primarily of cash and investments. The Fund limits its exposure to credit loss by placing its cash with high quality government and financial institutions. To maximize the credit quality of its investments, the Fund's managers perform ongoing credit evaluations based upon factors surrounding the credit risk of customers, historical trends and other information. The Fund also measures credit risk and lifetime ECL related to the accrued interest receivables using historical analysis and forward looking information.

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

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

Portfolio by rating category June 30, 2024	
Rating	As a % of Net Assets
AAA/Aaa	5.37%
AA/Aa	8.35%
A/A	21.21%
BBB/Baa	108.92%
Below BBB	0.00%
Unrated	0.00%
Total	143.85%

Portfolio by rating category December 31, 2023	
Rating	As a % of Net Assets
AAA/Aaa	0.00%
AA/Aa	7.56%
A/A	10.96%
BBB/Baa	102.32%
Below BBB	0.00%
Unrated	0.00%
Total	120.84%

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.

Ridgewood Canadian Investment Grade Bond Fund

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The rating category of certain financial assets previously reported as Below BBB and Unrated have been revised to reflect the actual rating of the securities.

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 holds securities that are denominated in currencies other than the Canadian dollar. It is therefore exposed to currency risk.

As at June 30, 2024, the Fund held \$6,450,507 (December 31, 2023 - Nil) of its assets in foreign securities. As a result, the Fund does not have significant currency risk. In practice, actual results may differ from this sensitivity analysis and the difference may be material. The table below indicates the currencies to which the Fund had significant exposure as at June 30, 2024 and December 31, 2023.

	Currency risk exposed holdings	As a % of Net assets
June 30, 2024	\$	(%)
U.S. Dollar	6,450,507	2.9%
Total	6,450,507	2.9%

	Currency risk exposed holdings	As a % of Net assets
December 31, 2023	\$	(%)
U.S. Dollar	-	0.0%
Total	-	0.0%

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. The tables below analyze the Fund's financial liabilities as at June 30, 2024 and December 31, 2023.

As at June 30, 2024:

	1-3 months	> 3 months	Total
	\$	\$	\$
Accrued expenses	460,263	-	460,263
Payable for redeemable shares redeemed	50,700	-	50,700
Bank indebtedness	-	-	-
Loan payable	98,706,039	-	98,706,039
Total liabilities	99,217,002	-	99,217,002

As at December 31, 2023:

	1-3 months	> 3 months	Total
	\$	\$	\$
Accrued expenses	514,600	-	514,600
Payable for investments purchased	1,914,245	-	1,914,245
Distribution payable	984,518	-	984,518
Loan payable	50,244,894	-	50,244,894
Total liabilities	53,658,257	-	53,658,257

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk as a percentage of net assets attributable to holders of redeemable units.

Market segments	June 30, 2024
Canadian Corporate Bonds	104.33%
Mortgage-Backed Securities	30.30%
Foreign Corporate Bonds	3.85%
Government of Canada	5.37%
Total	143.85%

Market segments	December 31, 2023
Canadian Corporate Bonds	86.05%
Mortgage-Backed Securities	31.02%
Foreign Corporate Bonds	3.77%
Government of Canada	0.00%
Total	120.84%

13. Financial Instruments – Disclosures

Fair Value Disclosure

The Fund's financial assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy described in Note 4. 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, 2024 and December 31, 2023.

Financial Assets and Liabilities at fair value as of June 30, 2024				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Bonds	-	248,836,078	-	248,836,078
Mortgage-backed securities	-	66,403,763	-	66,403,763
Cash/ (Bank Overdraft)	238,448	-	-	238,448
Loan payable	-	98,706,039	-	98,706,039
Total	238,448	413,945,880	-	414,184,328

Ridgewood Canadian Investment Grade Bond Fund

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Financial Assets and Liabilities at fair value as of December 31, 2023				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Bonds	-	215,016,948	-	215,016,948
Mortgage-backed securities	-	74,259,830	-	74,259,830
Cash/ (Bank Overdraft)	135,676	-	-	135,676
Loan payable	-	50,244,894	-	50,244,894
Total	135,676	339,521,672	-	339,657,348

There were no significant transfers made between Levels 1 and 2 as a result of changes in the availability of quoted market prices or observable market inputs during the periods ended June 30, 2024 and 2023.

In addition, there were no investments or transactions classified in Level 3 for the periods ended June 30, 2024 and 2023.

Mutual Funds
Managed by Ridgewood Capital Asset Management Inc.

Ridgewood Canadian Investment Grade Bond Fund

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