



Ridgewood Canadian Investment Grade Bond Fund

Interim Financial Report (Unaudited)
For the six months ended June 30, 2025

Ridgewood Canadian Investment Grade Bond Fund
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Message to Unitholders

It has been a volatile first half of 2025. During the first several months markets were focused on President Trump's worldwide tariff program and recent negative impact on investment markets. With US economic metrics generally stronger than consensus and the near certainty of pricing increases from new tariffs to be passed onto consumers, the US Federal reserve has paused their monetary easing. The FED funds rate is currently 4.50%; the last change occurred at their December 2024 meeting which resulted in a 25 basis point decrease from 4.75% to 4.50%. Meanwhile, the Bank of Canada has continued their rate reduction with two 25 basis points cuts bringing rates to 2.75%. Continued housing weakness and tariffs imposed by the Trump administration are expected to further depress economic activity within Canada. 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 return of 2.02% despite the uncertainty about tariff rates and timing of implementation. The Bank of Canada further decreased overnight rates by 50 basis points during the quarter. The top 2 performing sectors were Infrastructure and Communication bonds with returns of 2.33% and 2.26%. Within Corporates, Corporate A had the best performance at 1.84%. The Canadian stock market was almost unchanged as the S&P/TSX returned 0.77% for the quarter.

In the second quarter, increased volatility, with no further rate cuts from the Bank of Canada resulted in negative returns for bonds, but stocks were able to fare better with a further delay in the Trump Administration's tariff package against Canada. Further evidence of over stretched Canadian consumers led to the FTSE Canada Universe Bond Index returning -0.57%. Corporate debt outperformed the benchmark with a return of 0.45%. The S&P/TSX returned 7.78% for the quarter.

The FTSE Canada Universe Bond Index returned 1.44% year to date while the Corporate Bond Index returned 2.28%. Communication bonds were the strongest sector, returning 2.88%. It was also the case that Corporate BBB and AAA/AA bonds returned 2.47% and 2.35%, 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. We are comfortable remaining fully invested and overweighted in BBB corporate bonds.

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 7, 2025

Ridgewood Canadian Investment Grade Bond Fund

Interim Financial Report 2025 (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
STATEMENTS OF FINANCIAL POSITION
As at June 30, 2025 (unaudited) and December 31, 2024 (audited)

	30-Jun-25	31-Dec-24
	\$	\$
Assets		
Financial assets at fair value through profit or loss (Cost: June 30, 2025 - \$267,741,657; 31-Dec-24 - \$291,919,021)	273,323,420	298,562,799
Cash	365,762	156,412
Accrued interest receivable	2,626,194	2,955,461
Subscriptions receivable	-	305,100
Due from Brokers	848,498	-
Total Assets	277,163,874	301,979,772
Liabilities		
Redemptions payable	10,899	45,000
Accrued expenses	572,431	417,358
Distributions Payable	-	818,413
Loan payable (Note 10)	78,985,834	83,579,144
Total Liabilities (excluding net assets attributable to holders of redeemable units)	79,569,164	84,859,915
Net Assets attributable to holders of redeemable units	197,594,710	217,119,857
Net assets attributable to holders of redeemable units per unit per class		
Class A	197,594,710	217,119,857
Number of redeemable units outstanding (Note 5)		
Class A	13,996,148	15,490,171
Net assets attributable to holders of redeemable units per unit		
Class A	14.1178	14.0200

On behalf of the Manager,
Ridgewood Capital Asset Management Inc.



Director

John H. Simpson, CFA



Director

Paul W. Meyer, CFA

STATEMENTS OF COMPREHENSIVE INCOME
For the six months periods ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
Income		
Interest income for distribution purposes	8,033,055	9,008,847
Other changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	1,294,905	(241,622)
Net gain (loss) on foreign exchange	1,962	(2)
Net realized gain (loss) on foreign exchange	-	18,202
Net change in unrealized (depreciation) appreciation of investments	(1,062,070)	6,673,202
Total income	8,267,852	15,458,627
Expenses		
Management fees (Note 6)	525,710	634,946
Administrative and other expenses	216,311	318,205
HST expense	73,410	-
Legal fees	13,888	13,884
Audit fees	40,524	2,918
Independent Review Committee fees	4,467	15,179
Transaction costs	-	68
Total operating expenses	874,310	985,200
Operating profit	7,393,542	14,473,427
Finance cost		
Interest and bank fees (Note 10)	1,670,750	2,705,635
Increase in net assets attributable to holders of redeemable units	5,722,792	11,767,792
Increase in net assets attributable to holders of redeemable units per unit per class		
Class A	5,722,792	11,767,792
Daily average number of redeemable units outstanding		
Class A	15,066,086	18,076,432
Increase in net assets attributable to holders of redeemable units per unit per unit		
Class A	0.3798	0.6500

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

For the six months periods ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
Net assets attributable to holders of redeemable units at beginning of period		
Class A	217,119,857	239,398,192
	217,119,857	239,398,192
Distributions to redeemable unitholders		
From net investment income		
Class A	(4,730,472)	(5,699,169)
	(4,730,472)	(5,699,169)
Total distributions to redeemable unitholders		
Class A	(4,730,472)	(5,966,169)
	(4,730,472)	(5,966,169)
Redeemable unit transactions (Note 5)		
Proceeds from units issued		
Class A	27,652,608	862,823
	27,652,608	862,823
Amount paid for units redeemed		
Class A	(48,170,076)	(27,181,287)
	(48,170,076)	(27,181,287)
Total redeemable unit transactions		
Class A	(20,517,467)	(26,318,464)
	(20,517,467)	(26,318,464)
Increase in net assets attributable to holders of redeemable units		
Class A	5,722,792	11,767,792
	5,722,792	11,767,792
Net assets attributable to holders of redeemable units at end of period		
Class A	197,594,710	219,148,351
	197,594,710	219,148,351

STATEMENTS OF CASH FLOWS

For the six months periods ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
Cash provided by (used in) operating activities		
Net increase (decrease) in net assets attributable to holders of redeemable units	5,722,792	11,767,792
Adjustments for		
Net realized (gain)/loss on investments excluding foreign currency	(1,294,905)	241,622
Net change in unrealized depreciation (appreciation) of investments	1,062,070	(6,673,202)
Net (gain) loss on foreign exchange on cash	(1,962)	2
Purchase of investments	(219,290,144)	(194,681,006)
Proceeds from sale of investments	244,762,359	174,205,185
Decrease (increase) in accrued interest receivable	329,267	(182,976)
Increase (decrease) in accrued expenses	155,073	(54,337)
(Decrease) in investment proceeds receivable	(848,498)	-
Net cash provided by (used in) operating activities	30,596,052	(15,376,920)
Cash provided by (used in) financing activities		
Proceeds from units issued	27,957,708	832,823
Amount paid for units redeemed	(48,204,177)	(27,130,587)
Distributions paid to holders of redeemable units, net of reinvested distributions	(5,548,885)	(6,683,687)
Change in loan payable	(4,593,310)	48,461,145
Net cash (used in) provided by financing activities	(30,388,664)	15,479,694
Foreign exchange gain (loss) on cash	1,962	(2)
Increase in cash	207,388	102,774
Cash, beginning of period	156,412	135,676
Cash, end of period	365,762	238,448
Interest received	8,362,322	8,825,871
Interest paid	1,598,868	3,379,491

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

Ridgewood Canadian Investment Grade Bond Fund
Schedule of Investments
As at June 30, 2025 (unaudited)

Par Value	Security	Average Cost \$	Fair Value \$	% of Portfolio
Canadian Bonds				
Corporate Bonds				
6,500,000	Bank of Montreal, 7.057%, December 31, 2049	6,541,830	6,830,850	
5,000,000	Bell Telephone Co of Canada or Bell Canada, 5.625%, March 27, 2055	5,008,400	5,023,947	
3,250,000	Brookfield Renewable Partners ULC, 5.373%, September 10, 2055	3,250,000	3,265,273	
2,000,000	Brookfield Renewable Partners ULC, 5.450%, March 12, 2055	2,001,000	1,998,766	
1,000,000	Canadian Imperial Bank of Commerce, 4.000%, January 28, 2082	968,000	947,746	
2,000,000	Canadian Imperial Bank of Commerce, 6.369%, April 28, 2085	2,004,900	2,016,021	
2,000,000	Canadian Imperial Bank of Commerce, 7.150%, July 28, 2082	1,999,052	2,081,393	
2,500,000	Canadian Imperial Bank of Commerce, 7.337%, December 31, 2049	2,500,000	2,626,100	
500,000	Empire Life Insurance Co/The, 3.625%, April 17, 2081	458,750	457,090	
4,000,000	Enbridge Inc, 5.320%, August 22, 2054	4,003,000	4,070,225	
5,000,000	Enbridge Inc, 8.495%, January 15, 2084	5,044,336	5,529,099	
4,000,000	Fairfax Financial Holdings Ltd, 5.230%, November 23, 2054	3,994,500	4,079,838	
5,000,000	First West Credit Union, 9.186%, August 9, 2033	5,000,000	5,545,130	
5,202,000	Great-West Lifeco Inc, 3.600%, December 31, 2081	4,954,243	4,683,422	
7,500,000	iA Financial Corp Inc, 6.921%, September 30, 2084	7,510,714	7,743,017	
3,000,000	Intact Financial Corp, 7.338%, June 30, 2083	3,027,780	3,171,613	
4,000,000	Inter Pipeline Ltd/AB, 4.637%, May 30, 2044	3,417,060	3,557,820	
4,750,000	Manulife Financial Corp, 3.375%, June 19, 2081	4,267,039	4,284,881	
2,015,000	Manulife Financial Corp, 4.100%, March 19, 2082	2,008,391	1,787,563	
5,000,000	MCAP Commercial LP, 4.816%, March 4, 2030	5,000,000	4,994,465	
6,500,000	National Bank of Canada, 4.050%, August 15, 2081	5,456,518	6,153,927	
2,000,000	National Bank of Canada, 7.500%, November 16, 2082	2,014,620	2,116,329	
2,024,000	NFI Group Inc, 5.000%, January 15, 2027	1,802,681	2,004,974	
3,500,000	NorthWest Healthcare Properties Real Estate Investment Trust, 5.514%, February 18, 2030	3,500,000	3,515,984	
8,000,000	Pembina Pipeline Corp, 4.800%, January 25, 2081	7,848,341	7,847,669	
8,000,000	Royal Bank of Canada, 6.698%, December 31, 2049	8,000,000	8,223,520	
4,500,000	Royal Bank of Canada, 7.500%, May 2, 2084	6,178,950	6,360,293	
5,500,000	Teranet Holdings LP, 5.010%, March 7, 2035	5,508,085	5,490,007	
6,500,000	Teranet Holdings LP, 5.754%, December 17, 2040	6,311,085	6,531,754	
4,500,000	Toronto-Dominion Bank/The, 5.750%, December 31, 2049	4,451,870	4,462,245	
12,000,000	Toronto-Dominion Bank/The, 5.909%, January 31, 2085	11,952,092	11,720,712	
3,000,000	TransAlta Corp, 5.625%, March 24, 2032	3,031,875	3,065,625	
7,100,000	TransAlta Corp, 6.900%, November 15, 2030	7,528,576	7,628,063	
10,409,000	TransAlta Corp, 7.300%, October 22, 2029	11,323,764	11,397,856	
4,500,000	Trisura Group Ltd, 2.641%, June 11, 2026	4,500,000	4,475,025	
Total Corporate Bonds		162,367,452	165,688,242	83.85%
Federal Bonds				
4,000,000	Canada Housing Trust No 1, 2.850%, June 15, 2030	3,953,040	3,976,444	
11,500,000	Canadian Government Bond, 2.750%, December 1, 2055	9,910,398	9,771,994	
Total Federal Bonds		13,863,438	13,748,438	6.96%
Total Canadian Bonds		176,230,890	179,436,680	90.81%
Mortgage Backed Securities				
5,677,000	Institutional Mortgage Securities Canada Inc, 4.023%, July 12, 2025	5,302,204	5,663,943	
3,422,000	Institutional Mortgage Securities Canada Inc, 3.600%, October 12, 2026	3,314,190	3,359,720	
6,460,000	Institutional Mortgage Securities Canada Inc, 3.778%, October 12, 2026	5,681,760	6,304,960	
500,000	Real Estate Asset Liquidity Trust, 3.450%, May 12, 2051	494,950	495,300	
6,213,000	Real Estate Asset Liquidity Trust, 3.685%, May 12, 2051	5,428,965	6,135,338	
5,513,000	Real Estate Asset Liquidity Trust, 3.685%, May 12, 2051	4,642,375	5,403,291	
8,000,000	Real Estate Asset Liquidity Trust, 3.845%, September 12, 2051	7,091,600	7,889,600	
3,769,000	Real Estate Asset Liquidity Trust, 3.845%, September 12, 2051	3,194,928	3,663,091	
716,000	Real Estate Asset Liquidity Trust, 4.394%, August 12, 2053	669,460	671,178	
5,731,000	Real Estate Asset Liquidity Trust, 4.020%, June 12, 2054	5,623,398	5,073,654	
1,375,000	Real Estate Asset Liquidity Trust, 4.462%, June 12, 2054	1,189,650	1,112,788	
1,460,000	Real Estate Asset Liquidity Trust, 3.550%, February 12, 2055	1,458,882	1,331,666	
4,925,000	Real Estate Asset Liquidity Trust, 6.264%, December 12, 2029	4,899,442	5,003,800	
9,950,000	Real Estate Asset Liquidity Trust, 7.250%, December 12, 2029	9,949,240	10,124,125	
3,412,000	Real Estate Asset Liquidity Trust, 4.950%, January 12, 2060	3,373,365	3,364,232	
5,500,000	Real Estate Asset Liquidity Trust, 4.951%, January 12, 2060	5,298,565	5,285,500	
Total Canadian Mortgage Backed Securities		67,612,974	70,882,186	35.87%
Total Canadian Bonds, Government Bonds and MBS		243,843,864	250,318,866	126.68%
U.S. Bonds				
Corporate Bonds				
6,350,000	Citigroup Inc, 5.365%, March 6, 2036	7,673,607	6,481,267	
Total U.S. Corporate Bonds		7,673,607	6,481,267	3.28%
U.S. Mortgage Backed Securities				
3,000,000	Retained Vantage Data Centers Issuer LLC, 5.250%, September 15, 2048	2,724,186	3,021,000	
Total U.S. Mortgage Backed Securities		2,724,186	3,021,000	1.53%
Total U.S. Bonds, Government Bonds and MBS		10,397,793	9,502,267	4.81%
Non-North American Bonds				
4,000,000	Electricite de France SA, 4.573%, February 6, 2035	4,000,000	3,935,563	
3,000,000	Electricite de France SA, 5.231%, February 6, 2055	3,000,000	2,872,527	
6,500,000	Sagior Financial Co Ltd, 6.359%, June 20, 2029	6,500,000	6,694,197	
Total Non-North American Bonds		13,500,000	13,502,287	6.83%
Transaction costs		-	-	0.00%
Total Investments		267,741,657	273,323,420	138.33%
Cash and other assets, net of liabilities		(75,728,710)	(75,728,710)	-38.33%
Net assets			197,594,710	100.00%

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2025 (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 Net Asset Value ("NAV") is used for pricing in the future and continues to be allowed to use leverage in the fund. The financial statements were authorized for issuance by Ridgewood Capital Asset Management Inc. on August 7, 2025.

2. 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 means 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

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

4. Summary of material accounting policy information

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 receivables 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.

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, distribution payable, subscriptions receivable and payable and due to/from brokers.

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2025 (unaudited)

4. Summary of material accounting policy information (continued)

IFRS 9 Financial Instruments ("IFRS 9")

Financial assets carried at amortized cost are subject 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 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. Mutual fund units held are priced using the NAV per unit which is fair value, as of the valuation date for the particular fund for both reporting Net Assets attributable to holders of redeemable units and daily NAV. Short-term notes and treasury bills are stated at amortized cost, which approximates fair market value, are included in the Schedule of Investments.

Cash is comprised of cash on deposit.

Investment Transactions

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 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.

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2025 (unaudited)

4. Summary of material accounting policy information (continued)

Financial Instruments – Disclosures (continued)

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, subscriptions receivable, accrued interest receivable, due to/from brokers, redemptions 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 financial statements of the Fund are measured in the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements of the Fund are presented in Canadian Dollar ("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 year 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.

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 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 12 – Financial Instruments – Fair Value Disclosure for further information about the fair value measurement of the Fund's financial instruments.

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2025 (unaudited)

4. Summary of material accounting policy information (continued)

Critical accounting estimates and judgments (continued)

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 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 and the number of redeemable 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 redeemable unit transactions during the period:

	2025	2024
	Class A	Class A
Units outstanding, beginning of period	15,490,171	18,575,820
Units issued	1,929,977	451,706
Units redeemed	(3,424,000)	(3,537,355)
Reinvestment of distribution	-	-
Units outstanding, end of period	13,996,148	15,490,171

6. Related party transactions

The Fund's investment activities are managed by Ridgewood Capital Asset Management Inc.

Management fees

Under the terms 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 in respect of each series of a class of the Fund which shall be paid from the assets 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, 2025, amounted to \$525,710 (June 30, 2024 - \$634,946).

Independent Review Committee fees

The total remuneration paid to members of the Independent Review Committee ("IRC") during the period ended June 30, 2025, was \$4,467 (2024 - \$15,179).

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2025 (unaudited)

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 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 other 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, 2025, the balance of the account was \$78,395,834 (December 31, 2024 - \$83,579,144). During the period, the maximum amount borrowed was \$121,783,647 (December 31, 2024 - \$130,006,930) and the minimum amount borrowed was \$78,915,542 (December 31, 2024 - \$50,182,758).

Interest and Bank Fees

Total interest and bank fees on the account were \$1,670,750 for the period (December 31, 2024 - \$4,810,314). The account is charged interest based on CAOREPO Index plus 45 bps. If interest rates had increased/decreased by 100 basis points, interest expense would have changed by approximately \$510,373 (December 31, 2024 - \$936,201).

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 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.

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2025 (unaudited)

11. Income taxes (continued)

As at December 31, 2024, capital losses of \$30,032,620 (2023 - \$30,975,787) are available for utilization against realized gains on sales of investments in future years. The capital losses can be carried forward indefinitely. The Fund has no non-capital losses.

12. Financial instruments and risk management

The Fund's financial instruments consist of bonds, short-term investments, and cash. 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 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.

As at June 30, 2025								
	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 3 years	3-5 years	More than 5 years	Non Interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Loan payable	-	78,985,834	-	-	-	-	-	78,985,834
Interest Rate Exposure	5,663,942	-	4,475,025	11,669,654	45,706,870	205,807,928	-	273,323,420
As at December 31, 2024								
	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 3 years	3-5 years	More than 5 years	Non Interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Loan payable	-	83,579,144	-	-	-	-	-	83,579,144
Interest Rate Exposure	-	-	8,576,347	42,552,565	51,564,465	195,869,422	-	298,562,799

At June 30, 2025, should interest rates have decreased by 100 basis points with all other variables remaining constant, the increase in net assets attributable to holders of redeemable units for the period would amount to approximately \$4.6 million (December 31, 2024 - \$3.7 million), arising substantially from the increase in market values of debt securities. Conversely, if interest rates had risen by 100 basis points, the decrease in net assets attributable to holders of redeemable units would amount to approximately \$4.6 million (December 31, 2024 - \$3.7 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 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 evaluations based upon factors surrounding the credit risk of customers, historical trends and other

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2025 (unaudited)

12. Financial instruments and risk management (continued)

Credit Risk (continued)

information. The Fund measures credit risk and lifetime ECL's related to the accrued interest receivables using historical analysis and forward-looking information.

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

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

Portfolio by rating category	June 30, 2025
Rating	As a % of net assets attributable to holders of redeemable units
AAA/Aaa	11.18%
AA/Aa	16.88%
A/A	9.69%
BBB/Baa	100.58%
Total	138.33%

Portfolio by rating category	December 31, 2024
Rating	As a % of net assets attributable to holders of redeemable units
AAA/Aaa	2.28%
AA/Aa	13.21%
A/A	13.27%
BBB/Baa	108.75%
Total	137.51%

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 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, 2025, the Fund held \$6,360,293 (December 31, 2024 - \$6,804,019) of its assets and liabilities denominated in currencies other than Canadian dollar. As at June 30, 2025, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies represented in the portfolio, with all other variables remaining constant, net assets would have increased or decreased by approximately \$318,015 (December 31, 2024 - \$340,201).

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 positions. The tables below analyze the Fund's financial liabilities as at June 30, 2025 and December 31, 2024.

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2025 (unaudited)

12. Financial instruments and risk management (continued)

Liquidity Risk (continued)

June 30, 2025

Financial Liabilities	On Demand	< 3 Months	Total
Accrued expenses	\$ -	\$ 572,431	\$ 572,431
Bank overdraft	-	-	-
Redemptions payable	-	10,899	10,899
Distribution payable	-	-	-
Loan payable	-	78,985,834	78,985,834
Net Assets attributable to holders of redeemable units	197,594,710	-	197,594,710
Total Liabilities	\$ 197,594,710	\$ 79,569,164	\$ 277,163,874

December 31, 2024

Financial Liabilities	On Demand	< 3 Months	Total
Accrued expenses	\$ -	\$ 417,358	\$ 417,358
Redemptions payable	-	45,000	45,000
Distribution payable	-	818,413	818,413
Loan payable	-	83,579,144	83,579,144
Net Assets attributable to holders of redeemable units	217,119,857	-	217,119,857
Total Liabilities	\$ 217,119,857	\$ 84,859,915	\$ 301,979,772

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, 2025	December 31, 2024
Canadian Corporate Bonds	83.85%	103.55%
Canadian Federal Bonds	6.96%	29.92%
Canadian Mortgage Backed Securities	35.87%	4.04%
U.S. Corporate Bonds	3.28%	0.00%
U.S. Mortgage Backed Securities	1.53%	0.00%
Non-North American Bonds	6.83%	0.00%
Total	138.33%	137.51%

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2025 (unaudited)

13. Financial Instruments

Fair Value Disclosure

The Fund's assets recorded at fair value have been categorized based upon the 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, 2025, and December 31, 2024.

Financial assets at fair value as of June 30, 2025				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	365,762	-	-	365,762
Bonds	-	273,323,420	-	273,323,420
Mortgage Backed Securities (MBS)	-	-	-	-
	365,762	273,323,420	-	273,689,182

Financial assets at fair value as of December 30, 2024				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	156,412	-	-	156,412
Bonds	-	233,608,044	-	233,608,044
Mortgage Backed Securities (MBS)	-	64,954,755	-	64,954,755
	156,412	298,562,799	-	298,719,211

During the six months period ended June 30, 2025, 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 six months period ended June 30, 2025, there were no significant transfers made from Levels 2 to 3 as a result of changes in the availability of quoted market prices or observable market inputs.

During the year ended December 31, 2024, 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.

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.