



Ridgewood Canadian Investment Grade Bond Fund

Interim Financial Report (Unaudited)
For the six months ended June 30, 2020

Ridgewood Investment Grade Bond Fund

Interim Financial Report (Unaudited)

Message to Unitholders 2

Management’s Responsibility for Financial Reporting
..... 3

Statements of Financial Position..... 4

Statements of Comprehensive Income..... 5

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units 6

Statements of Cash Flows 7

Schedule of Investments..... 8

Notes to the Financial Statements9-15

Message to Unitholders

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

The Bank of Canada reduced rates three times in March for a total of 150 basis points, leaving the target lending rate at 0.25%, in line with U.S. interest rates. Governor Poloz finished his term and is now replaced by Tiff Macklem. In his final meeting earlier this year he stated that negative interest rates are not a policy the Bank would entertain at this point. Macklem will likely continue the steady policy that was enacted during his predecessors' term, providing continued support for the bond market, economy, corporations and individuals.

The FTSE Canada Universe Bond Index returned 7.53% YTD while the Corporate Bond Index returned 5.41%. Provincial bonds were the strongest sector, returning 9.06%, primarily due to characteristics of this index which is a longer than average duration. Corporate bonds will likely outperform in the second half as the economy gradually recovers and investors will extend out the risk spectrum. The yield curve has remained positive, but the slope is very flat as 30-year bonds yield 1% and 2-year bonds yield 0.30%. Every bond maturity from 1 year out to 30 years is yielding 1% or below which is an historic low for interest rates. The demand for corporate bonds will remain strong as they provide a significantly higher yield than Government bonds. We are comfortable remaining fully invested and overweight in BBB corporate bonds, especially now with the central bank support.

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 21, 2020

Ridgewood Canadian Investment Grade Bond Fund

Statements of Financial Position (unaudited)

As at June 30, 2020 (unaudited) and December 31, 2019

	June 30, 2020	December 31, 2019
	\$	\$
Assets		
Financial asset at fair value through profit or loss (cost 30-June-20 - \$338,483,115; 31-Dec-19 - \$314,596,609)	353,317,103	325,652,781
Cash	7,636	4,200
Accrued interest receivable	2,101,921	2,322,002
Total Assets	355,426,660	327,978,983
Liabilities		
Redemptions payable	-	22,778
Accrued expenses	263,337	391,392
Distribution payable	803,758	763,915
Loan payable (Note 10)	122,335,785	109,541,475
Total Liabilities	123,402,880	110,719,560
Net assets attributable to holders of redeemable units	232,023,780	217,259,423
Number of units outstanding, Class A (Note 5)	15,165,238	14,413,488
Net assets attributable to holders of redeemable units per unit	15.30	15.07

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, 2020 and 2019

	June 30, 2020	June 30, 2019
	\$	\$
Income		
Interest for distribution purposes	7,663,614	6,932,222
Other changes in fair value on financial assets and financial liabilities at fair value through loss or profit		
Net realized (loss) gain on sale of investments	(1,659,519)	1,825,062
Net change in unrealized appreciation of investments	3,777,816	14,382,352
Total operating income	9,781,911	23,139,636
Expenses		
Management fees (Note 7)	608,003	509,176
Administration fees	359,515	320,146
Legal fees	15,559	17,628
Audit fees	14,957	16,479
Independent Review Committee fees	9,756	10,094
Total operating expenses	1,007,790	873,523
Operating profit	8,774,121	22,266,113
Finance cost		
Interest and bank fees (Note 10)	836,365	1,093,851
Increase in net assets attributable to holders of redeemable units	7,937,756	21,172,262
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 -) (2020 - 14,836,590; 2019 - 13,696,886)	0.54	1.55

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, 2020 and 2019

	June 30, 2020	June 30, 2019
	\$	\$
Net assets attributable to holders of redeemable units at beginning of period	217,259,423	172,952,006
Increase in net assets attributable to holders of redeemable units	7,937,756	21,172,262
Distributions:		
From net investment income	(4,742,335)	(4,409,030)
	3,195,421	16,763,232
Redeemable unit transactions		
Issue costs and agency fees	(195,180)	(497,665)
Proceeds from the issuance of units of the investment fund	11,919,823	26,883,660
Aggregate amounts paid on redemption of units of the investment fund	(155,707)	-
	11,568,936	26,385,995
Net assets attributable to holders of redeemable units at end of period	232,023,780	216,101,233

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, 2020 and 2019

	June 30, 2020	June 30, 2019
	\$	\$
Cash provided by (used in) operating activities		
Net increase (decrease) in net assets attributable to holder of redeemable Units	7,937,756	21,172,262
Adjustments for:		
Net realized loss (gain) on sale of investments	1,659,519	(1,825,062)
Net change in unrealized (appreciation) of investments	(3,777,816)	(14,382,352)
Purchase of investments	(331,722,917)	(164,750,143)
Proceeds from sale of investments	306,176,892	132,212,347
Decrease (increase) in accrued interest receivable	220,081	(56,369)
(Increase) decrease in accrued expenses	(128,055)	143,019
	(19,634,540)	(27,486,298)
Cash flows from financing activities		
Proceeds from the issuance of units of the investment fund	11,919,823	26,883,660
Issue costs and agency fees paid	(195,180)	(497,665)
Aggregate amounts paid on redemption of units of the investment fund	(178,485)	-
Distributions paid to unitholders	(4,702,492)	(4,310,901)
Change in loan payable	12,794,310	5,416,065
	19,637,976	27,491,159
Increase in cash during the period	3,436	4,861
Cash, beginning of period	4,200	6,625
Cash, end of period	7,636	11,486
Supplemental information on cash flows from operating activities		
Interest received	7,883,695	6,875,853
Interest paid	921,826	1,064,962

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, 2020

Par Value	Security	Average Cost	Fair Value	% of net assets
	Canadian Bonds			
	Corporate Bonds	\$	\$	
10,550,000	Aroundtown SA, Callable, 4.63%, 2025/09/18*	10,530,844	11,085,185	
10,000,000	ATCO Ltd., Series '18-1', Variable Rate, Restricted, Callable, 5.50%, 2078/11/01*	10,846,800	11,347,525	
11,958,000	Cameco Corp., 5.09%, 2042/11/14*	11,146,078	12,042,336	
6,350,000	Citigroup Inc., 5.37%, 2036/03/06*	7,666,969	7,963,663	
10,000,000	Coast Capital Savings Federal Credit Union, Series '2', Variable Rate, Callable, 5.25%, 2030/10/29*	10,000,000	10,746,697	
10,000,000	Coast Capital Savings Federal Credit Union, Variable Rate, Callable, 5.00%, 2028/05/03*	10,004,700	10,464,332	
14,000,000	Co-operators Financial Services Ltd., Callable, 3.33%, 2030/05/13*	14,000,000	14,185,016	
7,000,000	E-L Financial Corp. Ltd., Callable, 4.00%, 2050/06/22	6,963,600	7,071,801	
16,000,000	Enbridge Inc., Variable Rate, Callable, 5.38%, 2077/09/27*	15,993,338	16,144,312	
12,000,000	Fairfax Financial Holdings Ltd., Callable, 4.23%, 2029/06/14*	12,139,298	12,209,198	
6,000,000	General Motors Financial of Canada Ltd., 5.95%, 2024/05/14	5,986,920	6,465,397	
6,800,000	George Weston Ltd., 6.69%, 2033/03/01*	8,522,350	9,076,020	
7,000,000	H&R REIT, Series 'Q', Callable, 4.07%, 2025/06/16	7,000,000	7,054,667	
10,000,000	Inter Pipeline Ltd., Callable, 4.23%, 2027/06/01	10,078,980	10,438,969	
3,000,000	Loblaw Cos. Ltd., 5.86%, 2043/06/18*	3,470,120	3,922,984	
5,000,000	Morguard Corp., Series 'E', Callable, 4.72%, 2024/01/25*	5,081,340	5,061,449	
10,000,000	Morguard Corp., Series 'F', Restricted, Callable, 4.20%, 2024/11/27*	10,000,000	9,932,527	
6,000,000	Nissan Canada Financial Services Inc., Series 'F', 3.15%, 2021/09/14	5,870,610	5,876,011	
4,000,000	Nissan Canada Inc., Series 'D', 2.42%, 2020/10/19	3,935,825	3,991,454	
3,500,000	SmartCentres REIT, Series 'V', Restricted, Callable, 3.19%, 2027/06/11	3,500,000	3,565,064	
7,000,000	SmartCentres REIT, Series 'W', Restricted, Callable, 3.65%, 2030/12/11	7,000,000	7,163,739	
5,664,000	Teranet Holdings L.P., Callable, 5.75%, 2040/12/17*	5,760,010	6,239,742	
6,777,000	Teranet Holdings L.P., Callable, 6.10%, 2041/06/17*	7,650,792	7,778,473	
7,000,000	Teranet Holdings L.P., Series '2020', Callable, 3.54%, 2025/06/11	7,000,000	7,157,751	
7,100,000	TransAlta Corp., Step Coupon, 6.90%, 2030/11/15*	7,103,075	7,486,748	
10,159,000	TransAlta Corp., 7.30%, 2029/10/22*	11,055,015	11,142,567	
15,000,000	TransCanada Trust, Series '17-B', Variable Rate, Callable, 4.65%, 2077/05/18*	14,027,195	14,803,504	
		232,333,859	240,417,131	103.62%
	Mortgage-Backed Securities			
3,034,000	Institutional Mortgage Securities Canada Inc., Class 'B', Series '2013-4', Variable Rate, 4.24%, 2023/10/12	3,033,479	3,140,190	
7,667,000	Institutional Mortgage Securities Canada Inc., Class 'C', Series '2013-4', Variable Rate, 4.59%, 2023/11/12	7,490,659	7,897,010	
2,422,000	Institutional Mortgage Securities Canada Inc., Class 'C', Series '2016-7', Callable, 3.60%, 2026/10/12	2,332,690	2,415,945	
9,087,000	Institutional Mortgage Securities Canada Inc., Class 'D', Series '13-4', Variable Rate, Callable, 4.59%, 2023/11/12	9,014,940	9,200,588	
3,100,000	Institutional Mortgage Securities Canada Inc., Class 'D', Series '2011-1', Variable Rate, Callable, 5.28%, 2021/02/12	2,899,833	3,138,488	
6,000,000	Institutional Mortgage Securities Canada Inc., Class 'D', Series '2012-2', Variable Rate, Callable, 4.70%, 2022/07/12	5,434,200	5,907,195	
6,677,000	Institutional Mortgage Securities Canada Inc., Class 'D', Series '2015-6', Variable Rate, Callable, 3.82%, 2025/03/12	6,128,543	6,466,675	
6,460,000	Institutional Mortgage Securities Canada Inc., Class 'D', Series '2016-7', Variable Rate, Callable, 3.78%, 2026/10/12	5,681,760	6,153,150	
3,603,000	Institutional Mortgage Securities Canada Inc., Class 'E', Series '2012-2', Variable Rate, Callable, 4.70%, 2022/07/12	3,177,197	3,486,685	
2,523,000	Institutional Mortgage Securities Canada Inc., Class 'E', Series '2016-7', Variable Rate, Callable, 3.78%, 2026/10/12	2,110,162	2,321,160	
4,800,000	Real Estate Asset Liquidity Trust, Class 'C', Series '2017', Callable, 3.93%, 2027/07/12	4,379,765	4,836,000	
6,114,000	Real Estate Asset Liquidity Trust, Class 'C', Series '2018-1', Variable Rate, Restricted, Callable, 4.25%, 2028/05/12	5,827,922	6,220,995	
5,731,000	Real Estate Asset Liquidity Trust, Class 'C', Series '2019-1', Variable Rate, Restricted, Callable, 4.02%, 2029/05/12	5,597,483	5,673,690	
14,121,000	Real Estate Asset Liquidity Trust, Class 'C', Series '2019-HBC', Variable Rate, Callable, 4.45%, 2024/06/14	12,725,577	12,991,320	
3,850,000	Real Estate Asset Liquidity Trust, Class 'D', Series '2015-1', Floating Rate, Callable, 3.65%, 2025/07/12	3,405,221	3,715,250	
10,013,000	Real Estate Asset Liquidity Trust, Class 'D', Series '2016-1', Variable Rate, Callable, 3.64%, 2026/05/12	8,749,432	9,537,383	
8,000,000	Real Estate Asset Liquidity Trust, Class 'D', Series '2016-2', Callable, 3.62%, 2026/05/12	7,091,600	7,500,000	
2,216,000	Real Estate Asset Liquidity Trust, Class 'D1', Series '2018-1', Variable Rate, Restricted, Callable, 4.34%, 2028/05/12	1,959,962	2,121,820	
5,513,000	Real Estate Asset Liquidity Trust, Class 'E', Series '2016-1', Variable Rate, Callable, 3.64%, 2026/05/12	4,642,375	5,223,568	
5,269,000	Real Estate Asset Liquidity Trust, Class 'E', Series '2016-2', Variable Rate, Callable, 3.62%, 2026/06/12	4,466,456	4,952,860	
		106,149,256	112,899,972	48.66%
	Total Canadian Bonds and MBS	338,483,115	353,317,103	152.28%
	Total Investment Portfolio	338,483,115	353,317,103	152.28%
	Cash and cash equivalents		7,636	0.00%
	Other assets less liabilities		(121,300,959)	-52.28%
	Total net assets attributable to holders of redeemable unit		232,023,780	100.00%

* These securities are held as collateral with Scotiabank for the loan payable or margin account (Note 9)

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2020 (unaudited)

1. ESTABLISHMENT OF THE FUND

Ridgewood Canadian Investment Grade Bond Fund (the "Fund") is a 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 1020, 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. The financial statements were authorized for issuance by Ridgewood Capital Asset Management Inc. on August 21, 2020.

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 and December 31 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 Funds have 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

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2020 (unaudited)

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.

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, subscriptions receivable, interest receivable, payable for investments purchased, 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 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, 2020 (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 Funds, the Manager is required to make significant judgments about whether or not the business of the Funds 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 Funds' 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. The units of the Fund are fully paid when issued.

Following are the redeemable unit transactions during the period:

June 30, 2020

	2020
Units outstanding, Beginning of period	14,413,488
Redeemable units issued for cash	761,650
Redeemable units redeemed	(9,900)
Units issued on reinvestment of distributions	-
Units outstanding, end of period	15,165,238

December 31, 2019

	2019
Units outstanding, Beginning of year	12,563,499
Redeemable units issued for cash	1,851,489
Redeemable units redeemed	(1,500)
Units issued on reinvestment of distributions	-
Units outstanding, end of year	14,413,488

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, 2020 amounted to \$608,003 (June 30, 2019 - \$509,176).

Independent Review Committee fees

The total remuneration paid to members of the Independent Review Committee during the period ended June 30, 2020 was \$9,756 (June 30, 2019 - \$10,094).

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2020 (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 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, 2020, the balance of the account was \$122,335,785 (December 31, 2019 - \$109,541,475). During the period, the maximum amount borrowed was \$95,457,665 (December 31, 2019 - \$131,052,369) and the minimum amount borrowed was 152,547,788 (December 31, 2019- \$73,655,517).

Interest and Bank Fees

Total interest and bank fees on the account were \$836,365 for the period (June 30, 2019 - \$1,093,851). The account is charged interest based on Bloomberg Ticker Reference plus 70bps 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 \$575,923 (June 30, 2019 - \$470,865).

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, 2019 taxation year-end, the Fund had no capital losses and no non-capital losses available for carryforward (2018 – \$1,358,726).

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

Notes to the Financial Statements

June 30, 2020 (unaudited)

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 repricing or maturity dates

As at June 30, 2020:

	Less than 1 month	1-3 months	3 months -1 year
Loan payable	\$	\$	\$
Interest Rate Exposure	-	122,335,785	-

	Less than 1 year	1-3 years	3-5 years	More than 5 years
Investments	\$	\$	\$	\$
Interest Rate Exposure	7,129,942	15,269,891	75,367,574	255,549,696

	Non Interest bearing	Total
	\$	\$
Interest Rate Exposure	-	353,317,103

As at December 31, 2019:

	Less than 1 month	1-3 months	3 months -1 year
Loan payable	\$	\$	\$
Interest Rate Exposure	-	109,541,475	-

	Less than 1 year	1-3 years	3-5 years	More than 5 years
Investments	\$	\$	\$	\$
Interest Rate Exposure	-	19,540,673	38,944,139	267,167,969

	Non Interest bearing	Total
	\$	\$
Interest Rate Exposure	-	325,652,781

At June 30, 2020, 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 \$14.4 million (December 31, 2019 - \$16.1 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 \$14.4 million (December 31, 2019 - \$16.1 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.

Portfolio by rating category June 30, 2020	
Rating	As a % of Net Assets
AAA/Aaa	-
AA/Aa	1.35%
A/A	21.90%
BBB/Baa	121.00%
Below BBB	8.03%
Unrated	-
Total	152.28%

Portfolio by rating category December 31, 2019	
Rating	As a % of Net Assets
AAA/Aaa	1.43%
A/A	16.91%
BBB/Baa	118.28%
Below BBB	4.79%
Unrated	8.48%
Total	149.89%

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2020 (unaudited)

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

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund holds securities that are denominated in currencies other than the Canadian dollar. It is therefore exposed to currency risk.

As at June 30, 2020, the Fund held Nil (December 31, 2019 - 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.

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, 2020 and December 31, 2019.

As at June 30, 2020:

	1-3 months	> 3 months	Total
	\$	\$	\$
Accrued expenses	263,337	-	263,337
Distribution payable	803,758	-	803,758
Loan payable	122,335,785	-	122,335,785
Total liabilities	123,402,880	-	123,402,880

As at December 31, 2019:

	1-3 months	> 3 months	Total
	\$	\$	\$
Redemptions payable	22,778	-	22,778
Accrued expenses	391,392	-	391,392
Distribution payable	763,915	-	763,915
Loan payable	109,541,475	-	109,541,475
Total liabilities	110,719,560	-	110,719,560

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, 2020
Canadian Corporate Bonds	103.62%
Mortgage-Backed Securities	48.66%
Total	152.28%

Market segments	December 31, 2019
Canadian Corporate Bonds	103.09%
Mortgage-Backed Securities	46.80%
Total	149.89%

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, 2020 and December 31, 2019.

Financial Assets and Liabilities at fair value as of June 30, 2020				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Bonds	-	240,417,131	-	240,417,131
Mortgage-backed securities	-	112,899,972	-	112,899,972
Cash	7,636	-	-	7,636
Loan payable	-	122,335,785	-	122,335,785
Total	7,636	475,652,888	-	475,660,524

Financial Assets and Liabilities at fair value as of December 31, 2019				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Bonds	-	223,966,160	-	223,966,160
Mortgage-backed securities	-	101,686,621	-	101,686,621
Cash	4,200	-	-	4,200
Loan payable	-	109,541,475	-	109,541,475
Total	4,200	435,194,256	-	435,198,456

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

June 30, 2020 (unaudited)

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, 2020 and December 31, 2019.

In addition, there were no investments or transactions classified in Level 3 for the periods ended June 30, 2020 and December 31, 2019.

14. Subsequent Events

On August 13, 2020 the Fund closed its private placement of the Fund's trust units for gross proceeds of approximately \$8.2 million. The private placement consisted of 510,790 units at a price of \$16.00 per unit.

Mutual Funds
Managed by Ridgewood Capital Asset Management Inc.

Ridgewood Canadian Bond Fund

Head Office:
Ridgewood Capital Asset Management Inc.
55 University Avenue, Suite 1020
Toronto ON
M5J 2H7

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