

## RIDGEWOOD CANADIAN INVESTMENT GRADE BOND FUND

Price: \$15.15<sup>1</sup>

TSX: RIB.UN

Yield: 4.2%<sup>1</sup>

### Bond Market Outlook

- ▶ Central banks have backed off the tightening cycle given global growth concerns and a moderate inflation outlook. We have potentially reached the peak in rates; the market is pricing in a cut as the next move later this year.
- ▶ In the low rate environment, the reach for yield continues. The corporate bond curve is steeper, providing significantly more income than Federal/Provincial bonds.
- ▶ The interest rate decrease in underlying Government bonds has not been matched by corporate spreads. We view this as an opportunity for corporate bonds to outperform.
- ▶ Canadian corporate bond issuance is running \$5 billion below last year levels at this time, further supporting demand for corporate bonds.
- ▶ The equity market has made a dramatic recovery from the lows in Q4/19 but uncertainties remain on the trade front. Corporate bonds provide income and capital preservation with lower volatility.

### Portfolio Update

- ▶ Leverage reduced as we sold into the material bull flattening that took place in March
- ▶ Reduced a higher beta long BBB position, taking advantage of drop in yields and risk on momentum in market
- ▶ Participated in a new CMBS issue
- ▶ Barbell strategy given the shape of the yield curve

#### NAV Performance (net of fees)<sup>1</sup>

	RIB.UN	FTSE Universe	Value Added
One Month	2.3%	2.3%	0.0%
Year to Date	4.6%	3.9%	0.7%

### Fund Facts

- ▶ A unique opportunity for retail investors to access the **investment grade bond** market
- ▶ Focus on **Canadian issuers**, with up to 25% in non-Canadian investment grade bonds
- ▶ **Actively managed** with prudent use of leverage, up to 35% of the total assets of the fund may be borrowed
- ▶ **Attractive monthly distribution** yielding 4.2%<sup>1</sup>
- ▶ **Experienced portfolio manager** with over 20 years of fixed income experience, Mark J. Carpani, CFA has been responsible for managing the fund since its inception in 2009

### Ridgewood Capital Asset Management

- ▶ Ridgewood was founded in 2008 and manages \$1.2 billion for high net worth individuals and institutional clients
- ▶ A top quartile fixed income manager specializing in corporate bonds; fixed income assets represent 75% of total AUM
- ▶ The inception date of the Ridgewood Canadian Investment Grade Bond Fund (RIB.UN) was December 18, 2009

For further information visit [www.ridgewoodcapital.ca](http://www.ridgewoodcapital.ca) or contact John H. Simpson (416) 479-2751