

**RIDGEWOOD CANADIAN INVESTMENT GRADE BOND FUND**

Price: \$17.11<sup>1</sup>

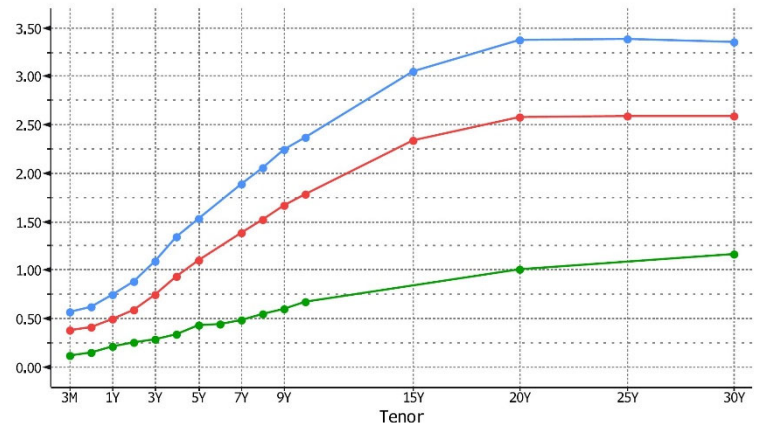
TSX: RIB.UN

Yield: 3.72%<sup>1</sup>

**Bond Market Outlook**

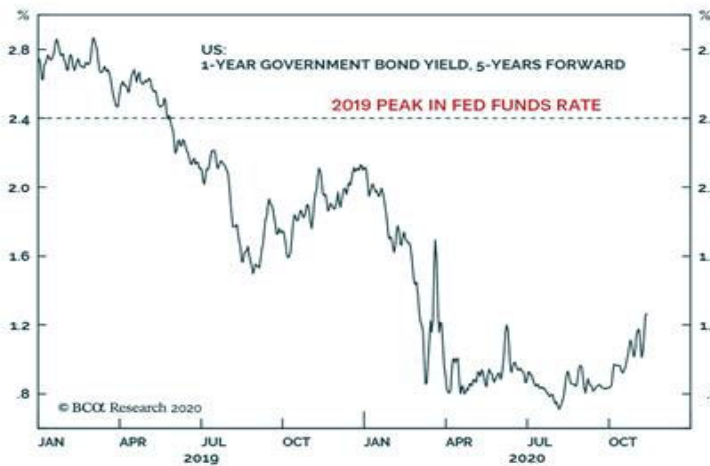
- Government stimulus will continue in the New Year as the Covid second wave is constraining economic activity across the board.
- Despite the massive deficits and money supply growth, inflation remains subdued as we can see by the Federal Reserve's preferred measure of inflation, PCE.

**Canadian Yield Curves <sup>1</sup>**

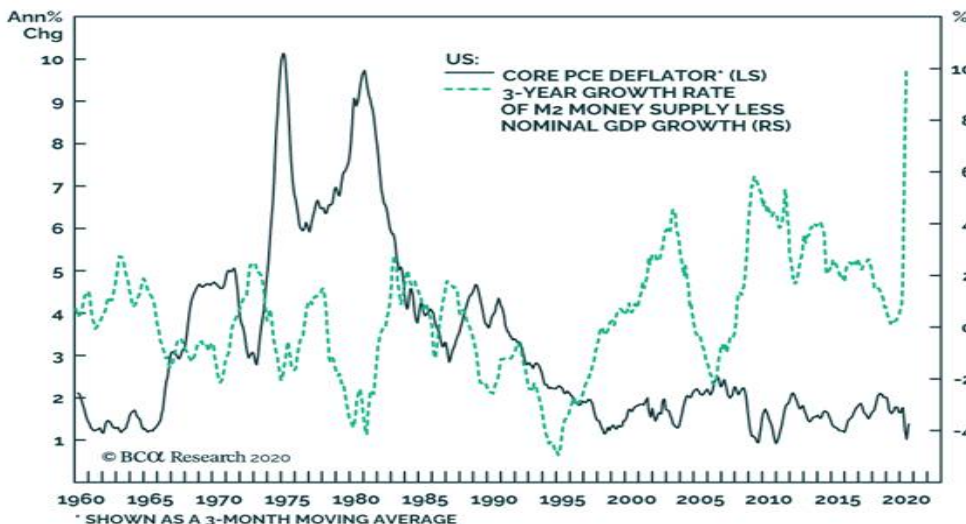


- Canada Corporate BBB+, BBB, BBB-
- Canada Corporate A+, A, A-
- Canada Sovereign Curve

Source: Bloomberg



- The consumer price index in Canada is currently running at 0.7% which is considerably lower than the Bank of Canada's 2% plus target.
- Slow growth and benign inflation will keep interest rates at record lows for quite some time, making corporate bonds an attractive value proposition.



- The recovery continues. Housing remains strong, both manufacturing and retail sales improving and employment still recovering albeit at a slower pace with unemployment rate remaining at an elevated level of 8.9%

<sup>1</sup> as at November 30, 2020

### Portfolio Update

- Corporate BBB bonds returned 1.9% vs 0.3% for Canada bonds in the month of November.
- Portfolio took advantage of long credit spread tightening. Reduced term.

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

	RIB.UN	FTSE Universe	Value Added
One Month	2.8%	1.0%	1.8%
Year to Date	9.8%	8.3%	1.5%
2019	14.3%	6.9%	7.4%
10 yr to Dec 2019	9.9%	4.2%	5.7%

### RIB.UN Re-openings

- August 2020 deal for \$8.2mm at \$16.00
- March 2020 deal for \$11.9mm at \$15.65
- June 2019 deal for \$5.6mm at \$15.50
- February 2019 deal for \$7.3mm at \$14.75

### 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 3.72%<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 \$1.3 billion for high net worth individuals and institutional clients
- A top quartile fixed income manager specializing in corporate bonds; fixed income assets represent 77% 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, CFA (416) 479-2751