

RIDGEWOOD CANADIAN INVESTMENT GRADE BOND FUND

Price: \$17.00¹

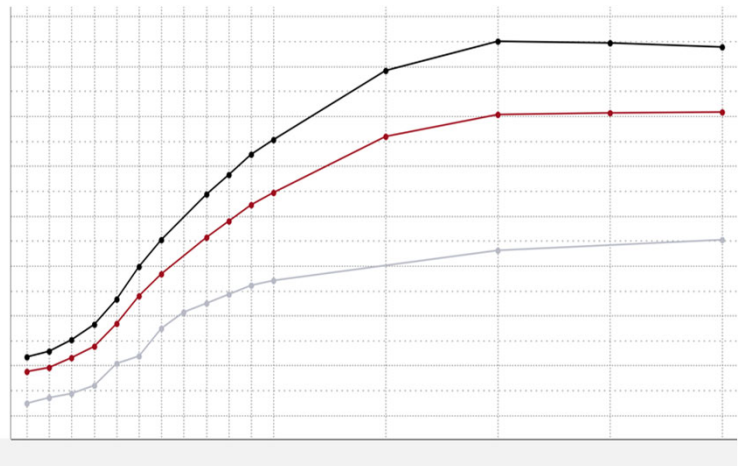
TSX: RIB.UN

Yield: 3.74%¹

Bond Market Outlook

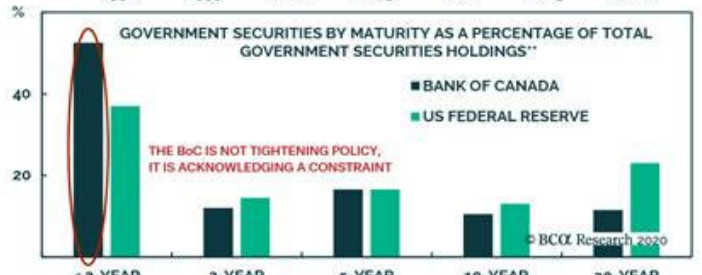
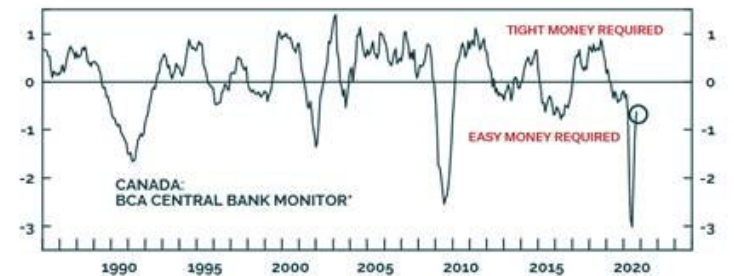
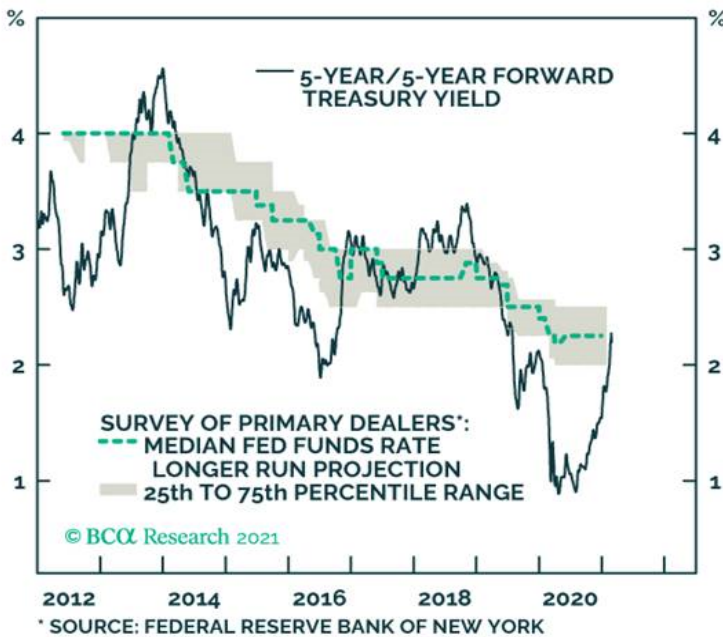
- The bond market had a challenging month as investors priced in additional stimulus from the Government.
- Bond investors are skeptical given the vaccine rollout is in full force and the economy is gradually opening up.
- Treasury yields have risen above the median Fed Funds long term interest rates projections and now represent fair value.

Canadian Yield Curves ¹



Source: Bloomberg
 ● Canada Corporate BBB+, BBB, BBB-
 ● Canada Corporate A+, A, A-
 ● Canada Sovereign Curve

- Corporate bonds will continue to be the defensive play during this period.
- The Bank of Canada has ample room to buy longer term bonds on their balance sheet.



* BCA PROPRIETARY INDICATOR CONSISTING OF ECONOMIC AND FINANCIAL VARIABLES. READINGS BELOW ZERO INDICATE EASIER MONETARY POLICY IS REQUIRED, AND READINGS ABOVE ZERO INDICATE TIGHTER POLICY IS NEEDED.
 ** SOURCE: BANK OF CANADA, US FEDERAL RESERVE, BLOOMBERG FINANCE L.P.

- Interest rates will be capped close to these levels as Central Banks cannot afford to have higher rates.

Portfolio Update

- Corporate bonds outperformed Government bonds buy 78 basis points.

NAV Performance (net of fees) ¹

- The portfolio outperformed due to its lower term and defensive holdings.

	RIB.UN	FTSE Universe	Value Added
One Month	-1.9%	-2.5%	0.6%
Year to Date	-1.1%	-3.6%	2.5%
2020	12.0%	8.7%	3.3%
10 yr to Dec 2020	8.8%	4.5%	4.3%

RIB.UN Re-openings

- December 2020 deal for \$11.7mm at \$16.32
- 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 3.74%¹
- **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 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 or contact John H. Simpson, CFA (416) 479-2751