

RIDGEWOOD CANADIAN INVESTMENT GRADE BOND FUND

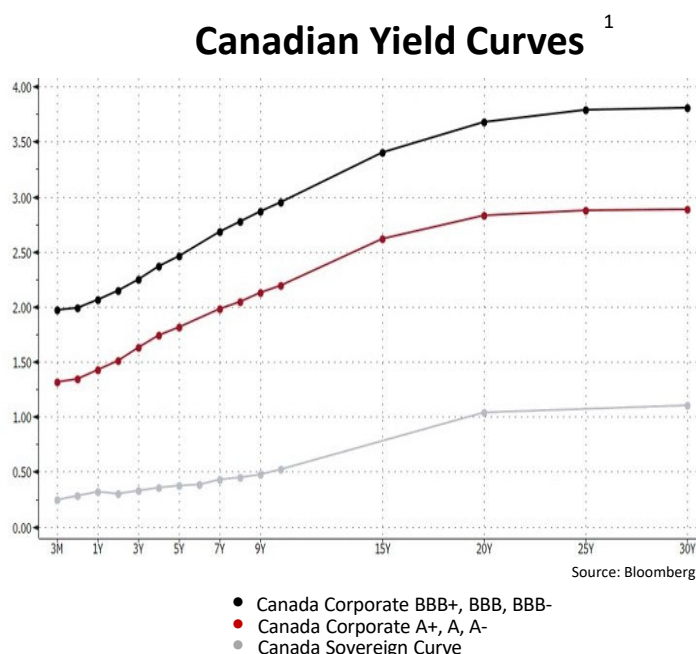
Price: \$16.25¹

TSX: RIB.UN

Yield: 3.90%¹

Bond Market Outlook

- ▶ June 2020 will be the largest month of corporate maturities on record. Issuance was very light in the first quarter as the Covid 19 induced panic sent issuers to the sidelines.
- ▶ Reduced supply coupled with record cash flow into the corporate bond market is a positive backdrop for higher valuations.
- ▶ The Bank of Canada announced the development of a new Provincial Bond Purchase Program of up to \$50 billion, to supplement its Provincial Money Market Purchase Program.
- ▶ Further, the Bank is announcing a new Corporate Bond Purchase Program, in which the Bank will acquire up to a total of \$10 billion in investment grade corporate bonds in the secondary market. The net effect of these bond buying programs will be increased demand and strong support of outstanding tradeable corporate bonds.
- ▶ The Bank of Canada will continue to purchase at least \$5 billion in Government of Canada securities per week in the



secondary market, and will increase the level of purchases as required to maintain proper functioning of the government bond market. Also, the Bank is temporarily increasing the amount of Treasury Bills it acquires at auctions to up to 40 percent.

- ▶ Government yields are at historic lows and the continued bond buying will keep interest rates pinned for an extended period, making corporate bonds the fixed income asset class of choice.

Coupons + Maturities	Jun-17	Jun-18	Jun-19	Jun-20	YoY
Federal Government	12,032	11,584	11,817	13,283	12.4%
Federal Agencies	11,686	11,839	11,908	11,820	-0.7%
Provinces	10,190	12,723	18,102	27,705	53.1%
Corporates	7,047	5,871	8,687	15,223	75.2%
Total	40,956	42,017	50,514	68,032	34.7%

¹ as at April 30, 2020

Portfolio Update

- Corporate BBB bonds returned 5.5% vs 1.6% for Canada bonds for the month of April
- Focus on bullet strategy and maintaining fully invested position.

NAV Performance (net of fees) ¹

	RIB.UN	FTSE Universe	Value Added
One Month	5.0%	3.8%	1.2%
Year to Date	-1.0%	5.4%	-6.4%
2019	14.3%	6.9%	7.4%
10 yr to Dec 2019	9.9%	4.2%	5.7%

RIB.UN Re-openings

- 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 3.90%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 \$1.2 billion for high net worth individuals and institutional clients
- A top quartile fixed income manager specializing in corporate bonds; fixed income assets represent 79% 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 (416) 479-2751