

RIDGEWOOD CANADIAN INVESTMENT GRADE BOND FUND

Price: \$16.98¹

TSX: RIB.UN

Yield: 3.74%¹

Bond Market Outlook

- The bond market was calm in April as the inflation scare has subsided. Overall the index was up a modest 0.06% for the month.
- Long Canada bonds were the worst performer, dropping 1.45%.

Canadian Yield Curves ¹

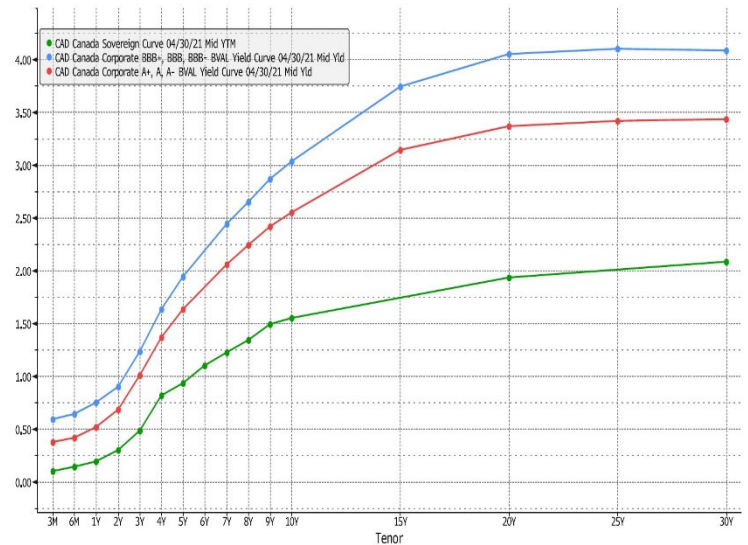


Figure 5: Canada 5y5y OIS rate looks especially high relative to the Bank of Canada's estimate of neutral rate

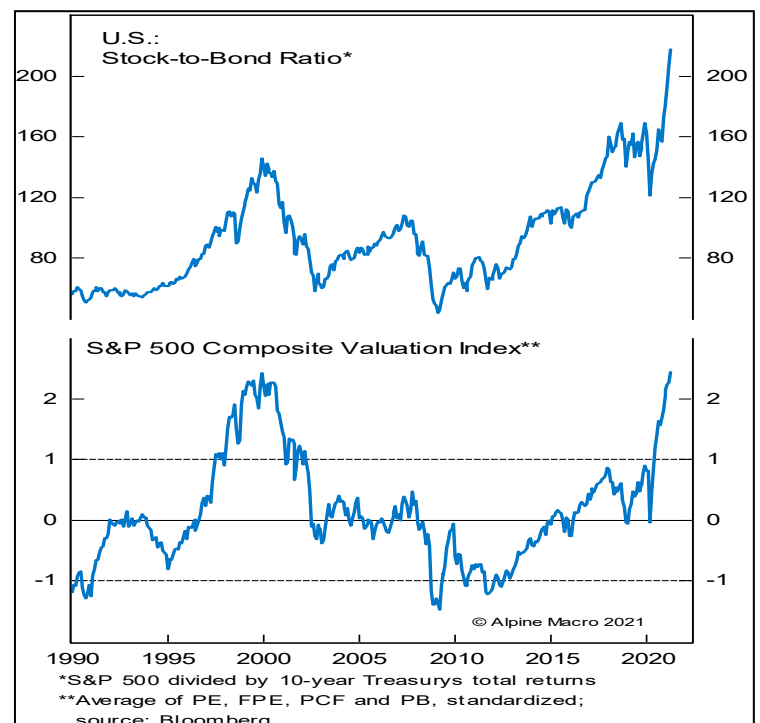
CAD 5y5y OIS vs Bank of Canada Estimate of Neutral Rate (%)



Source: Bloomberg

- Mid term financial bonds, one of our top weights, was the best performing sector rising 0.69%.

- The bond market has priced in higher inflation over and above the Bank of Canada's neutral rate.



*S&P 500 divided by 10-year Treasuries total returns
**Average of PE, FPE, PCF and PB, standardized;
source: Bloomberg

Portfolio Update

- Corporate bonds outperformed Government bonds by 17 basis points in March

NAV Performance (net of fees) ¹

- The portfolio outperformed due to the defensive term to maturity and addition of hybrid bank bonds.

	RIB.UN	FTSE Universe	Value Added
One Month	0.6%	0.1%	0.5%
Year to Date	-1.1%	-5.0%	3.9%
2020	12.0%	8.7%	3.3%
10 yr to Dec 2020	8.8%	4.5%	4.3%

RIB.UN Re-openings

- April 2021 deal for \$8.1M at \$16.20
- December 2020 deal for \$11.7M at \$16.32
- August 2020 deal for \$8.2M at \$16.00
- March 2020 deal for \$11.9M at \$15.65
- June 2019 deal for \$5.6M at \$15.50
- February 2019 deal for \$7.3M 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