

RIDGEWOOD CANADIAN INVESTMENT GRADE BOND FUND

Price: \$15.02¹

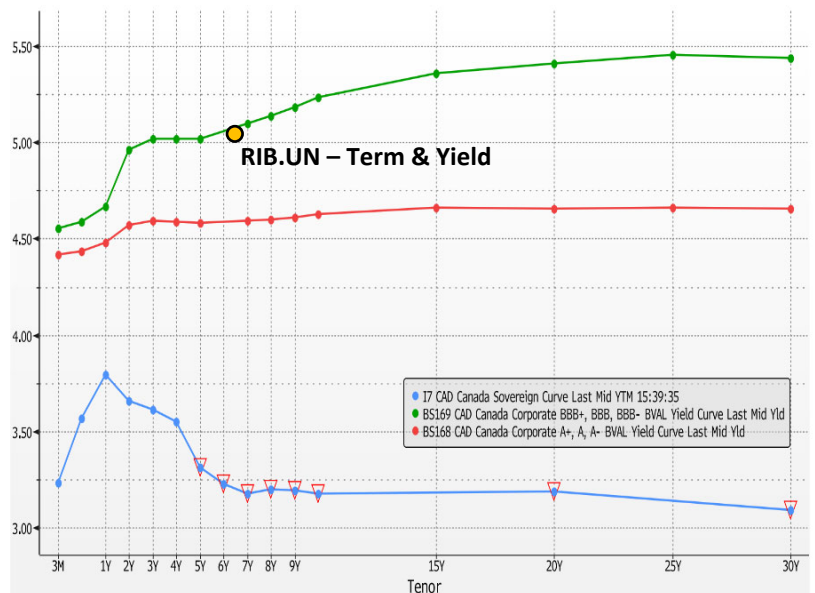
TSX: RIB.UN

Yield: 5.2%¹

Bond Market Outlook

- Interest rates rose in August as investors priced in multiple hikes by the Bank of Canada and Federal Open Market Committee.
- In Canada, an overnight rate of 4% is now priced in. Given high household debt levels, we are skeptical rates will rise above that level.
- Even U.S. rates are pricing in a lower terminal rate at 3.75%.
- Bond yields in both countries have adequately priced in future interest rate hikes.

Canadian Yield Curves¹



Source: Bloomberg

NFIB Small Business Outlook for General Business Conditions



¹ as at Aug 31, 2022

Portfolio Update

- RIB outperformed the benchmark by 131 basis points given it's defensive term to maturity and higher yield.
- The fund is on the lookout for new issues as all in yields are historically very attractive.

NAV Performance (net of fees) ¹

| | RIB.UN | FTSE Universe | Value Added |
|-------------------|--------|---------------|-------------|
| One Month | -1.4% | -2.7% | 1.3% |
| YTD 2022 | -13.1% | -11.3% | -1.8% |
| 2021 | 2.4% | -2.5% | 4.9% |
| 2020 | 12.0% | 8.7% | 3.3% |
| 10 yr to Dec 2021 | 9.0% | 3.3% | 5.7% |

RIB.UN Re-openings

- Nov 2021 deal for \$7.5 M at \$16.30
- May 2021 deal for \$19.3M at \$15.86
- 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 3.93%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 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 or contact John H. Simpson, CFA (416) 479-2751