

RIDGEWOOD CANADIAN INVESTMENT GRADE BOND FUND

INFORMATION CIRCULAR

BACKGROUND

This information circular (the “**Information Circular**”) is furnished in connection with the solicitation by Ridgewood Capital Asset Management Inc. (the “**Manager**”), the manager and trustee of Ridgewood Canadian Investment Grade Bond Fund (the “**Fund**”), of proxies to be used at the special meeting (the “**Meeting**”) of the holders (the “**Unitholders**”) of the Fund’s trust units (the “**Units**”), which Meeting is to be held at the time and place set out in the Notice of Special Meeting accompanying this Information Circular.

The Manager is holding the Meeting to seek Unitholder approval of amendments to the Fund’s investment restrictions to increase the Fund’s maximum permitted leverage, as set out in the Fund’s Declaration of Trust (as hereinafter defined), from 25% to 35% of the total assets of the Fund.

At the Meeting, Unitholders will be asked to consider and, if thought advisable, approve, with or without variation, a special resolution (the “**Special Resolution**”), the full text of which is attached as Appendix “A” to this Information Circular, authorizing and approving the Manager: (a) to amend the investment restrictions of the Fund as set out in the Declaration of Trust to provide that the Fund shall not borrow money, including pursuant to a loan facility or by purchasing securities on margin, if, immediately following the borrowings, the aggregate amount borrowed would exceed 35% of the total assets of the Fund; (b) to further amend the Declaration of Trust and/or any agreements to which the Fund is a party to the extent the Manager determines necessary or advisable to effect the foregoing; and (c) to effect or revoke the Special Resolution, in whole or in part, for any reason whatsoever at any time and from time to time, in the sole discretion of the Manager, without further approval of or notice to the Unitholders. Unitholders also will be asked to consider such other business as may properly come before the Meeting. In order to be effective, the Special Resolution must be approved by not less than 66 $\frac{2}{3}$ % of the votes cast, either in person or by proxy, at the Meeting. See “Particulars of Matters to be Acted Upon”.

It is expected that the solicitation of proxies will be primarily by mail but proxies may be solicited personally by directors, officers, employees or agents of the Manager. The Fund also may engage the services of a proxy solicitation company to provide solicitation services in connection with the Meeting. The cost of the solicitation of proxies for the Fund is nominal and will be borne by the Fund.

PROXY INFORMATION

Units, Proxies and Voting Thereof

The number of issued and outstanding Units of the Fund as at December 6, 2013 is set out below under “Information Concerning the Fund”. At the Meeting and at any adjournment or postponement thereof, Unitholders as at 5:00 p.m. (Toronto time) on December 6, 2013 (the “**Record Date**”) are entitled to one vote for each Unit held.

To be valid, proxies must be completed and received by CST Trust Company (“**CST**”), the registrar and transfer agent for the Fund, at P.O. Box 721, Agincourt, Ontario, M1S 0A1 or send it by facsimile to (416) 368-2502 or 1-866-781-3111 (toll-free North America) or by e-mail to proxy@canstockta.com, not later than 10:00 a.m. (Toronto time) on January 8, 2014 or, in the case of any adjournment or postponement of the Meeting, no later than 10:00 a.m. (Toronto time) on the second last business day prior thereto. Proxies also may be deposited with the Chairman of the Meeting at and prior to the commencement of the Meeting or any adjournment or postponement thereof.

Any Unitholder has the right to appoint any person, who need not be a Unitholder, to attend and to vote and to act for and on behalf of such Unitholder at the Meeting. In order to do so, the Unitholder should insert the name of the person he, she or it is appointing in the blank space provided on the proxy delivered with this Information Circular, or on a facsimile thereof, and deliver the completed proxy to CST at the address specified in the paragraph above or to the Chairman of the Meeting prior to the commencement of the Meeting.

The Units represented by a proxy which is hereby solicited, if properly executed and deposited, will be voted in accordance with the instructions of the Unitholder. **Where a Unitholder fails to specify a choice with respect to the Special Resolution referred to in the Notice of Special Meeting in a proxy appointing a nominee of the Manager (being the nominees specified in the form of proxy delivered with this Information Circular) as proxyholder, the Units represented by such proxy will be voted FOR and in favour of the Special Resolution.**

The proxy confers discretionary authority with respect to any amendments or variations to the matter referred to in the Notice of Special Meeting and any other matters which may properly come before the Meeting.

If you have any questions about the information contained in this Information Circular or require assistance in completing the form of proxy, please contact Christopher de Lima of CST at (416) 682-3844.

Revocability of Proxy

A Unitholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. In addition to the revocation of a proxy in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Unitholder or his, her or its attorney or duly authorized agent and deposited either at the registered office of CST at any time up to and including 10:00 a.m. (Toronto time) on the second last business day preceding the date of the Meeting, or any adjournment or postponement thereof, or with the Chairman of the Meeting at and prior to the commencement of the Meeting or any adjournment or postponement thereof, and upon either of such deposits, the proxy is revoked.

A non-registered Unitholder may revoke a voting instruction form given to an intermediary at any time by written notice to the intermediary. However, in order for such revocation to be effective, it must be delivered in accordance with the requirements of such intermediary. See "Advice to Beneficial Holders".

Advice to Beneficial Holders

The information set forth in this section is of significant importance to you if you do not hold your Units in your own name. Unitholders who do not hold their Units in their own name ("**Beneficial Securityholders**") should note that only proxies deposited by Unitholders whose names appear on the records of CST as the registered holders of Units can be recognized and acted upon at the Meeting. If your Units are listed in an account statement provided to you by a broker, then in almost every case these Units will not be registered in your name on the records of the Fund. Your Units will more likely be registered under the name of your broker or an agent of that broker. In Canada, the majority of such Units are registered in the name of CDS & Co. ("**CDS**") (the registration name of CDS Clearing and Depository Services Inc.) which acts as nominee for many Canadian brokers. Units held by brokers or their nominees through CDS can only be voted upon the instructions of the Beneficial Securityholder. Without specific instructions, CDS and brokers/nominees are prohibited from voting Units for their client(s). The Fund does not know for whose benefit the Units registered in the names of CDS are held. Therefore, Beneficial Securityholders cannot be recognized at the Meeting or any adjournment or postponement thereof for purposes of voting their Units in person or by way of proxy unless they comply with the procedure designated below.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Securityholders in advance of the Meeting. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Securityholders in order to ensure that their Units are voted at the Meeting. Often, the voting instruction form supplied to a Beneficial Securityholder by its broker is identical to the form of proxy provided to registered Unitholders. However, its purpose is limited to instructing the registered Unitholder how to vote on behalf of the Beneficial Securityholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a voting instruction form which it mails to the Beneficial Securityholders and asks the Beneficial Securityholders to complete and return it directly to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Units to be represented at the Meeting. **A Beneficial Securityholder receiving a voting instruction form cannot use that form to vote Units directly at the Meeting; the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Units voted.**

Beneficial Securityholders fall into two categories – those who object to their identity being made known to the issuers of securities which they own ("**Objecting Beneficial Owners**" or "**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**" or "**NOBOs**"). Subject to the provisions of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs.

If you are a Non-Objecting Beneficial Owner the materials related to the Meeting have been sent directly to you and your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Manager (and not the intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you, and (ii) executing your proper voting instructions as specified in the request for voting instructions.

The Manager's decision to deliver proxy-related materials directly to its NOBOs will result in all NOBOs receiving a voting instruction form or form of proxy from the Fund's registrar and transfer agent, CST. Please complete and return the voting instruction form or form of proxy to CST in the envelope provided or by facsimile. CST will tabulate the results of the voting instruction forms or forms of proxy received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Units represented by the voting instructions forms or forms of proxy received by CST. For purposes of the Meeting, NOBOs will be otherwise treated the same as registered Unitholders.

OBOs can expect to receive their materials related to the Meeting from Broadridge or their brokers or their broker's agents. If a reporting issuer does not intend to pay for an intermediary to deliver materials to OBOs, OBOs will not receive the materials unless their intermediary assumes the cost of delivery. The Fund intends to pay for intermediaries to deliver the materials related to the Meeting to OBOs.

Although a Beneficial Securityholder may not be recognized directly at the Meeting for the purposes of voting Units registered in the name of his or her intermediary/broker, a Beneficial Securityholder may attend the Meeting as proxyholder for the registered Unitholder and vote such Units in that capacity. Beneficial Securityholders who wish to attend the Meeting and indirectly vote their Units as proxyholder for the registered Unitholder should, well in advance of the Meeting, provide written instructions to CST or Broadridge, as applicable, requesting that the Beneficial Securityholder or a nominee of the Beneficial Securityholder be appointed as proxyholder for the Meeting. In order to ensure that a Beneficial Securityholder or its nominee is properly appointed as proxyholder to attend and vote at the Meeting in respect of his/her/its Units, the Beneficial Securityholder should complete, sign and return in accordance with the

instructions provided the voting instruction form or form of proxy included with these Meeting materials. Your written instructions must be received in sufficient time to allow your voting instruction form or form of proxy to be received by CST by 10:00 a.m. (Toronto time) on January 8, 2014 (or at least 48 hours prior to the Meeting, if it is postponed or adjourned). Please contact your intermediary for instructions in this regard.

General

The information contained herein is given as of December 6, 2013, except for those matters disclosed that occurred subsequent to such date or except as otherwise indicated herein. The Manager knows of no matter to come before the Meeting other than the Special Resolution referred to in the Notice of Special Meeting. If any matters which are not known should properly come before the Meeting, the accompanying proxy relating to the Meeting will be voted on such matters in accordance with the best judgement of the person voting it.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Information Circular includes certain statements that are “forward-looking statements”. All statements, other than statements of historical fact, included in this Information Circular that address activities, events or developments that management and the directors of the Manager expect or anticipate will or may occur in the future are forward-looking statements, including such things as: anticipated financial performance; information regarding future distributions; and the expected benefits to be derived from the matters contemplated by the Special Resolution. These forward-looking statements are subject to various risks and uncertainties that could cause actual performance and expectations to differ materially from the anticipated performance or other expectations expressed. Factors that could cause actual results to differ from those anticipated include, among others: uncertainties regarding future performance of the portfolio of the Fund and of each issuer the securities of which are included in the portfolio of the Fund and general economic and stock market conditions. The forward-looking statements contained in this Information Circular in relation to the Fund constitute the current estimates of the Manager, as of the date of this Information Circular, with respect to the matters covered hereby. Readers and others should not assume that any forward-looking statement contained in this Information Circular represents an estimate as of any date other than the date of this Information Circular. Readers are cautioned not to place undue reliance on these forward-looking statements.

INFORMATION CONCERNING THE FUND

The Fund is a non-redeemable investment fund governed by the laws of the Province of Ontario. It was formed pursuant to a declaration of trust (the “**Declaration of Trust**”) dated November 27, 2009, as amended and restated as of December 17, 2009, December 13, 2010 and March 31, 2011, and as further amended as of August 1, 2013. Ridgewood Capital Asset Management Inc. is the manager of the Fund and the advisor to the Fund’s investment portfolio. As of December 6, 2013, 7,136,809 Units were issued and outstanding.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Special Resolution

At the Meeting, Unitholders will be asked to consider and, if thought advisable, approve, with or without variation, the Special Resolution, the full text of which is attached as Appendix “A” to this Information Circular. The Manager believes that the amendments contemplated by the Special Resolution will enhance the Fund’s growth potential in its net asset value (“**NAV**”) and its ability to provide distributions to Unitholders. The components of the Special Resolution and the rationale therefor are described in more detail below.

1. *Investment Restrictions Amendment*

The Manager has determined that it is desirable to increase the Fund's maximum permitted leverage to 35% of the total assets of the Fund. Interest rates posted by central banks are currently low, which has allowed the Fund to borrow funds in a manner that has benefitted Unitholders. The Fund uses the borrowed funds to invest in investment grade bonds at yields that are higher than the interest paid on the borrowed funds. Such an investment process allows for consistent NAV growth while also achieving the Fund's goal of paying monthly distributions to Unitholders. In addition, the Fund's use of leverage has allowed the Fund to pay special distributions to Unitholders. In the opinion of the Manager, given the current low interest rate environment, the Fund's maximum leverage can be increased modestly to 35% of total assets of the Fund without adding significant risk to the portfolio. The Manager believes that the Fund's NAV and distributions may be further enhanced with the proposed leverage increase to 35% of the total assets of the Fund.

While leverage may increase the potential for total returns, it may also potentially increase losses. If income and appreciation on investments made with borrowed funds are less than the cost of leverage, the value of the Fund's net assets will decrease. Any event which adversely affects the value of an investment held by the Fund will be magnified to the extent leverage is employed. Many leveraged transactions involve the posting of collateral. Increases in the amount of margin or similar payments could result in the need for trading at times or prices that are disadvantageous to the Fund and which could result in a loss for the Fund.

The Fund's investment restrictions as set out in the Declaration of Trust currently prevent the Fund from borrowing money, including pursuant to a loan facility or by purchasing securities on margin, if, immediately following the borrowings, the aggregate amount borrowed would exceed 25% of the total assets of the Fund. Accordingly, the Manager is holding the Meeting to seek Unitholder approval of amendments to the Fund's investment restrictions to increase the Fund's maximum permitted leverage from 25% to 35% of the total assets of the Fund.

The Special Resolution authorizes the Manager to delete the investment restriction of the Fund at section 5.4(1)(d) of the Declaration of Trust and replacing it with language substantially similar to the following:

“(b) borrow money, including pursuant to a loan facility or by purchasing securities on margin, if, immediately following the borrowings, the aggregate amount borrowed would exceed 35% of the total assets of the Trust;”

2. *General*

In addition to the foregoing, the Special Resolution also authorizes the Manager to make any further amendments to the Declaration of Trust and/or any agreements to which the Fund is a party that it considers necessary or desirable to effect any element of the Special Resolution. The Special Resolution also authorizes the Manager to effect or revoke the Special Resolution, in whole or in part, for any reason whatsoever at any time and from time to time, in the sole discretion of the Manager, without the further approval of or notice to the Unitholders.

Recommendation of the Board of Directors of the Manager

The board of directors of the Manager has determined that the Special Resolution is in the best interests of the Fund and the Unitholders. **Accordingly, the board of directors of the Manager recommends that the Unitholders vote FOR and in favour of approving the Special Resolution.** Pursuant to the Declaration of Trust, the Special Resolution requires the approval of not less than 66 $\frac{2}{3}$ % of the votes cast by the Unitholders present in person or by proxy at the Meeting.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such proxy, to vote such proxy FOR and in favour of approving the Special Resolution.

PRINCIPAL HOLDERS OF SECURITIES

To the knowledge of the directors and officers of the Manager, as at December 6, 2013, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over Units carrying more than 10% of the votes attached to all of the issued and outstanding Units.

QUORUM AND RESOLUTION

Pursuant to the terms of the Declaration of Trust, Unitholders of record as at the Record Date are entitled to notice of and to attend the Meeting, in person or by proxy, and to one vote per Unit held on any ballot at the Meeting or any adjournment or postponement thereof. A quorum of Unitholders for the purpose of considering the Special Resolution is present at the Meeting if at least two persons are present in person or by proxy and who are authorized to cast in the aggregate not less than 5% of the total number of votes attaching to the Units. If the requisite quorum is not present at the Meeting within one-half hour after the time fixed for the Meeting, the Meeting will be adjourned and reconvened on January 13, 2014, at the same location as the Meeting commencing at 10:00 a.m. (Toronto time). If the Meeting is adjourned, no mailed notice will be provided in respect of the reconvening of the adjourned Meeting. However, the Fund will issue a press release announcing the reconvened Meeting and will post the announcement on the Ridgewood Capital Asset Management website at www.ridgewoodcapital.ca. At the reconvened Meeting, the Unitholders present either in person or by proxy will constitute a quorum.

In order to be effective, the Special Resolution must be approved by the affirmative vote of the holders of not less than 66 $\frac{2}{3}$ % of the votes cast by the Unitholders present in person or by proxy at the Meeting.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, neither the Manager nor any director or executive officer of the Manager, nor any other insider of the Fund or the Manager, nor any associate or affiliate of any one of them, has or has had, at any time since the commencement of the Fund's most recently completed financial year, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Fund.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, neither the Manager nor any person who has been a director or executive officer of the Manager since the beginning of the Fund's last financial year, nor the associate or affiliate of any of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

MANAGEMENT CONTRACTS

Pursuant to the Declaration of Trust, the Manager has exclusive authority to manage the business and affairs of the Fund. Under the terms of the Declaration of Trust, the Manager is responsible for providing, or causing to be provided, management, portfolio management and administrative services and facilities to the Fund, including, without limitation (a) portfolio management; (b) authorizing and paying expenses incurred on behalf of the Fund; (c) appointing the custodian, registrar and transfer agent, auditors, legal counsel and other organizations or professionals serving the Fund; (d) providing office space and facilities; (e) preparing accounting, management and other reports, including such interim and annual reports to Unitholders, financial statements, tax reporting to Unitholders and income tax returns as may be required by applicable law; (f)

monitoring the ability of the Fund to pay distributions; (g) communicating with Unitholders; (h) ensuring that the net asset value per Unit is calculated and published; (i) ensuring that the Fund complies with all regulatory requirements and applicable stock exchange listing requirements; (j) calling meetings of Unitholders as required; and (k) providing such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Fund.

Pursuant to the Declaration of Trust, the Manager is paid an annual management fee by the Fund equal to 0.5% of the Fund's net asset value. During 2012, the Fund paid to the Manager \$454,651 in satisfaction of the annual management fee. Unless the Manager resigns or is removed pursuant to the Declaration of Trust, the Manager will continue as manager until the termination of the Fund.

The name, municipality of residence and office with the Manager of each of the directors and executive officer of the Manager is set out below.

<u>Name and Municipality of Residence</u>	<u>Office with the Manager</u>
John H. Simpson Toronto, Ontario	Managing Director, Chairman, Chief Executive Officer, Secretary, Chief Compliance Officer and Director
Paul W. Meyer Oakville, Ontario	Managing Director, President, Chief Financial Officer, Chief Investment Officer and Director
Mark J. Carpani Oakville, Ontario	Senior Vice President and Director

AUDITORS, TRANSFER AGENT AND CUSTODIAN

The auditor of the Fund is Deloitte LLP, Suite 1400, 181 Bay Street, Toronto, Ontario, M5J 2V1. The auditor was appointed as auditor of the Fund on November 27, 2009.

CST has been appointed the registrar and transfer agent for the Fund.

CIBC Mellon Trust Company has been appointed the custodian of the assets of the Fund.

LEGAL PROCEEDINGS

Neither the Fund nor the Manager is a party to, nor are any of their respective properties the subject matter of, any legal proceedings material to the Fund, nor are either of the Fund or the Manager aware of existing or pending legal or arbitration proceedings involving the Fund or involving the Fund that would be material to the Fund.

ADDITIONAL INFORMATION

Additional information relating to the Fund is available on SEDAR at www.sedar.com. Financial information is provided in the Fund's comparative financial statements and management report of fund performance for its most recently completed financial year and interim period. Unitholders can contact the Manager at 55 University Avenue, Suite 1020, Toronto, Ontario, M5J 2H7, toll free at 1-888-789-8957 or by e-mail at contact@ridgewoodcapital.ca. Additional information also can be obtained from the Ridgewood Capital Asset Management website at www.ridgewoodcapital.ca.

APPROVAL OF THE MANAGER AND CERTIFICATE

The board of directors of the Manager has approved the contents and the sending of this Information Circular.

DATED at Toronto, Ontario this 10th day of December, 2013.

BY ORDER OF THE BOARD OF DIRECTORS OF
RIDGEWOOD CAPITAL ASSET MANAGEMENT
INC.

By: "*John H. Simpson*"

Name: John H. Simpson

Title: Director