



Ridgewood Tactical Yield Fund

Interim Financial Report (Unaudited)
For the six months ended June 30, 2024

Ridgewood Tactical Yield Fund
Interim Financial Report (Unaudited)

Message to Unitholders	2
Unaudited Interim Report Statement	3
Management's Responsibility for Financial Reporting	4
Financial Statements	
Statements of Net Assets	5
Statements of Financial Operations	5
Statements of Changes in Net Assets	6
Statements of Cash Flows	6
Statement of Investments	7
Notes to the Financial Statements	8 - 17

Message to Unitholders

It has been an eventful first half of 2024 as during the first several months markets were eagerly waiting for rate cuts from the US Federal reserve and the Bank of Canada. During this period, it became clear that the economic data had yet to support an easing of monetary conditions. The economy was slowing, and rate cuts were on the horizon, but timing was further delayed. At the end of the first half of 2024, the US Federal reserve had yet to lower the FED funds rate which is currently 5.50%. Meanwhile, the Bank of Canada waited until June 5, 2024, to start easing monetary conditions with a 25 bps rate reduction to bring rates to 4.75%. Corporate bonds continue to perform well in this environment as they provide an additional yield over lower yielding Government bonds.

During the first quarter, the bond market experienced a negative return of 1.22% as investors were forced to continue to wait for interest rate cuts and digest the fact that markets had priced in too much easing. This resulted in a reset of market consensus. The top 2 performing sectors were Financial and Real Estate bonds with returns of 0.83% and 0.95%. Within Corporates, Corporate AAA/AA had the best performance at 0.50%. The Canadian stock market had a solid performance as the S&P/TSX returned 5.77% for the quarter.

In the second quarter, increased volatility resulted in negative returns for stocks, but bonds were able to fare better as the Bank of Canada finally began cutting interest rates. Further evidence of over stretched Canadian consumers led to the S&P/TSX returning -1.39%. A shift in monetary policy led to the bond markets returning 0.86% for the quarter. As the rate cut occurred at the beginning of June, the bond market rally was mostly captured in the month with a return of 1.13%. Corporate debt outperformed the benchmark with a return of 1.09%.

The FTSE Canada Universe Bond Index returned -0.38% year to date while the Corporate Bond Index returned 1.16%. Securitization bonds were the strongest sector, returning 2.52%. It was also the case that Corporate AAA/AA and BBB bonds returned 1.69% and 1.58%, primarily due to characteristics of the index, which has a higher coupon than the Universe Bond Index. Higher quality corporate bonds will likely continue to outperform in the second half with additional interest rate cuts from the Central banks as the economy continues to slow. The yield curve continues to be inverted and historically an inversion has preceded a growth slowdown/recession. We are comfortable remaining fully invested and overweighted in BBB corporate bonds.

Ridgewood Tactical Yield Fund

Interim Financial Report 2024 (Unaudited)

UNAUDITED INTERIM REPORT STATEMENT

The accompanying interim financial statements have not been reviewed by the external auditors of the Fund. The external auditors will be auditing the annual financial statements of the Fund in compliance with International Financial Reporting Standards.

Ridgewood Tactical Yield Fund

The interim financial statements have been prepared by management in accordance with IFRS (International financial reporting standards) and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this interim report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 4 of the financial statements.

The Manager is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.



John H. Simpson
Director
Ridgewood Capital Asset Management Inc.



Paul W. Meyer
Director
Ridgewood Capital Asset Management Inc.

August 19, 2024

Ridgewood Tactical Yield Fund

STATEMENTS OF FINANCIAL POSITION

As at June 30, 2024 (Unaudited) and December 31, 2023

	30-Jun-24	31-Dec-23
	\$	\$
Assets		
Financial assets at fair value through profit or loss (Cost: 30-Jun-24 - \$38,518,471; 31-Dec-23 - \$39,156,591)	38,809,740	39,203,186
Short-term investments at fair value (Cost: 30-Jun-24 - \$0; 31-Dec-23 - \$1,196,310)	-	1,196,310
Cash	243,896	163,058
Accrued interest receivable	574,354	487,361
Due from Brokers	-	88,440
Prepaid fees	9,098	6,304
Subscriptions receivable	9,000	576,635
Total Assets	39,646,088	41,721,294
Liabilities		
Accrued expenses	68,940	43,490
Due to brokers	1,000,000	-
Redemptions payable	100	57,950
Total Liabilities (excluding net assets attributable to holders of redeemable units)	1,069,040	101,440
Net Assets attributable to holders of redeemable units	38,577,048	41,619,854
Net assets attributable to holders of redeemable units per class		
Class A	28,138,746	31,446,101
Class F	10,438,302	10,173,753
	38,577,048	41,619,854
Number of redeemable units outstanding		
Class A	3,237,691	3,658,006
Class F	1,113,465	1,104,714
	4,351,156	4,762,720
Net assets attributable to holders of redeemable units per unit		
Class A	8.6910	8.5965
Class F	9.3746	9.2094

On behalf of the Manager,
Ridgewood Capital Asset Management Inc.


John H. Simpson, CFA
Director


Paul W. Meyer, CFA
Director

STATEMENTS OF COMPREHENSIVE INCOME

For the six months periods ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
	\$	\$
Income		
Interest income for distribution purposes	1,215,404	1,306,333
Dividend income	-	68
Net gain (loss) on foreign exchange	1	-
Other changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain/(loss) on sale of investments	108,763	(180,425)
Net change in unrealized appreciation of investments	244,674	280,202
Total income	1,568,842	1,406,178
Expenses		
Management fees (Note 7)	135,736	166,994
Administrative and other expenses	23,569	21,018
Custodian fees	45,238	36,244
HST expense	24,098	28,063
Independent Review Committee fees	8,933	8,933
Audit fees	11,535	8,044
Legal fees	9,191	21,500
Total operating expenses	258,300	290,796
Operating profit	1,310,542	1,115,382
Increase in net assets attributable to holders of redeemable units	1,310,542	1,115,382
Increase in net assets attributable to holders of redeemable units		
Class A	914,493	815,505
Class F	396,049	299,877
	1,310,542	1,115,382
Daily average number of redeemable units outstanding		
Class A	3,375,189	4,028,084
Class F	1,106,510	1,096,287
	4,481,699	5,124,371
Increase in net assets attributable to holders of redeemable units per unit per unit		
Class A	0.2709	0.2025
Class F	0.3579	0.2735

The accompanying notes are an integral part of the financial statements.

Ridgewood Tactical Yield Fund

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six months periods ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
	\$	\$
Net assets attributable to holders of redeemable units at beginning of period		
Class A	31,446,101	31,827,317
Class F	10,173,753	9,583,890
	41,619,854	41,411,207
Distributions to redeemable unitholders		
From net investment income		
Class A	(640,043)	(766,713)
Class F	(212,164)	(207,119)
	(852,207)	(973,832)
From capital gain		
Class A	-	-
Class F	-	-
From return of capital		
Class A	-	-
Class F	-	-
	-	-
Total distributions to redeemable unitholders		
Class A	(640,043)	(766,713)
Class F	(212,164)	(207,119)
	(852,207)	(973,832)
Redeemable unit transactions (Note 5)		
Proceeds from units issued		
Class A	1,663,300	8,035,085
Class F	-	1,969,500
	1,663,300	10,004,585
Amount paid for units redeemed		
Class A	(5,869,012)	(7,142,615)
Class F	(131,500)	(2,048,400)
	(6,000,512)	(9,191,015)
Reinvestment of distributions		
Class A	623,907	745,983
Class F	212,164	207,119
	836,071	953,102
Total redeemable unit transactions		
Class A	(3,581,805)	1,638,453
Class F	80,664	128,219
	(3,501,141)	1,766,672
Increase in net assets attributable to holders of redeemable units		
Class A	914,493	815,505
Class F	396,049	299,877
	1,310,542	1,115,382
Net assets attributable to holders of redeemable units at end of period		
Class A	28,138,746	33,514,562
Class F	10,438,302	9,804,867
	38,577,048	43,319,429

STATEMENTS OF CASH FLOWS

For the six months periods ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
	\$	\$
Cash provided by (used in) operating activities		
Net increase (decrease) in net assets attributable to holders of redeemable units	1,310,542	1,115,382
Adjustments for		
Interest income on short-term notes	(2,807)	-
Net (gain) on foreign exchange	(1)	-
Net realized (gain) loss on investments excluding foreign currency	(108,763)	180,425
Net change in unrealized appreciation of investments	(244,674)	(280,202)
Purchase of investments	(17,090,755)	(29,142,728)
Proceeds from sale of investments	19,036,755	25,159,623
(Increase) Decrease in accrued interest and dividends receivable	(86,993)	16,507
Decrease (Increase) in investment proceeds receivable	88,440	-
(Increase) in prepaid fees	(2,794)	-
Increase in accrued expenses	25,450	20,544
Increase in investment purchases payable	1,000,000	2,220,292
Net cash used in operating activities	3,924,400	(710,157)
Cash provided by (used in) financing activities		
Subscriptions received in advance	567,635	82,854
Payable for units redeemed	(57,850)	186,993
Distributions paid to holders of redeemable units, net of reinvested distributions	(16,136)	(20,730)
Proceeds from units issued	1,663,300	10,004,585
Amount paid for units redeemed	(6,000,512)	(9,191,015)
Net cash provided by (used in) financing activities	(3,843,563)	1,062,687
Increase in cash	80,837	352,530
Net gain (loss) on foreign exchange	1	-
Cash, beginning of period	163,058	77,590
Cash, end of period	243,896	430,120
Interest received	1,128,411	1,322,840
Dividends received, net of withholding taxes	-	68

The accompanying notes are an integral part of the financial statements.

Ridgewood Tactical Yield Fund

Schedule of investments

As at June 30, 2024 (unaudited)

Par Value	Average Cost	Fair Value	% of Portfolio
	\$	\$	
Investments			
Federal Bonds			
4,300,000 Canadian Government Bond, 1.750%, December 1, 2053	2,932,619	2,984,200	
2,500,000 Canadian Government Bond, 2.750%, December 1, 2055	2,176,924	2,190,732	
Total Federal Bonds	5,109,543	5,174,932	13.41%
Provincial Bonds			
100,000 Province of Ontario Canada, 3.750%, December 2, 2053	86,699	90,559	
500,000 South Coast British Columbia Transportation Authority, 4.150%, December 12, 2053	470,015	464,809	
Total Provincial Bonds	556,714	555,368	1.44%
Corporate Bonds			
1,000,000 Algonquin Power & Utilities Corp., 5.250%, January 18, 2082	991,250	905,631	
1,000,000 AltaGas Ltd., 5.250%, January 11, 2082	1,000,000	882,238	
250,000 AltaLink LP, 4.742%, May 22, 2054	250,000	247,641	
850,000 AT&T Inc., 4.850%, May 25, 2047	742,518	768,177	
500,000 Bank of Montreal, 7.325%, November 26, 2082	500,000	508,059	
500,000 Bank of Nova Scotia, 3.700%, July 27, 2081	450,625	410,309	
500,000 Brookfield Renewable Partners ULC, 5.318%, January 10, 2054	500,000	491,753	
500,000 Canadian National Railway Co., 5.100%, May 2, 2054	498,780	516,421	
1,000,000 Canadian Western Bank, 6.000%, April 30, 2081	954,100	991,227	
1,000,000 Capital Power Corp., 7.95%, September 9, 2082	1,000,000	1,025,754	
750,000 Cineplex Inc., 7.625%, March 31, 2029	750,000	765,938	
1,000,000 Coast Capital Savings Federal Credit Union, 8.875%, May 2, 2033	1,000,000	1,020,159	
450,000 Corus Entertainment Inc., 5.000%, May 11, 2028	195,750	180,375	
1,000,000 Doman Building Materials Group Ltd., 5.250%, May 15, 2026	1,005,000	972,310	
500,000 Empire Communities Corp., 7.375%, December 15, 2025	500,000	502,917	
750,000 Enbridge Pipelines Inc., 5.820%, August 17, 2053	749,685	789,765	
750,000 Energir LP, 4.830%, June 2, 2053	749,648	746,928	
1,000,000 First West Credit Union, 9.186%, August 9th, 2033	1,000,000	1,076,818	
1,000,000 G Cooper Equipment Rentals Ltd., 7.450%, July 4, 2029	1,000,000	1,008,080	
650,000 Gibson Energy Inc., 5.250%, December 22, 2080	631,995	598,614	
1,000,000 Gibson Energy Inc., 8.700%, July 12, 2083	1,000,000	1,059,848	
1,000,000 iA Financial Corp Inc., 6.921%, September 30, 2084	1,000,000	996,200	
400,000 Intact Financial Corp., 7.338%, June 30, 2083	400,800	408,736	
250,000 Inter Pipeline Ltd., 5.091%, November 27, 2051	213,790	215,197	
250,000 Inter Pipeline Ltd., 6.590%, February 9, 2034	261,398	261,681	
1,000,000 Inter Pipeline Ltd/AB, 6.875%, March 26, 2079	934,000	990,665	
500,000 Keyera Corp., 5.663%, January 4, 2054	500,000	505,432	
750,000 Keyera Corp., 5.950%, March 10, 2081	756,469	709,776	
1,091,000 Keyera Corp., 6.875%, June 13, 2079	1,086,012	1,092,597	
500,000 Kruger Products Inc., 6.000%, April 24, 2025	511,875	497,500	
1,250,000 Laurentian Bank of Canada, 5.300%, June 15, 2081	1,158,732	1,018,702	
1,000,000 Mattt Corp., 7.250%, April 2, 2031	1,000,000	1,020,833	
618,000 NFI Group Inc., 5.000%, January 15, 2027	512,846	573,195	
1,250,000 Northland Power Inc., 9.250%, June 30, 2083	1,243,033	1,327,600	
1,000,000 Nova Scotia Power Inc., 5.355%, March 24, 2053	1,000,000	1,008,698	
1,000,000 Obsidian Energy Ltd., 11.950%, July 27, 2027	980,000	1,020,313	
950,000 Pembina Pipeline Corp., 4.800%, January 25, 2081	922,664	853,549	
500,000 Royal Bank of Canada, 4.000%, February 24, 2081	455,000	479,636	
250,000 Royal Bank of Canada, 4.500%, November 24, 2080	237,625	243,893	
500,000 Royal Bank of Canada, 7.408%, December 31, 2049	500,000	514,980	
500,000 Royal Bank of Canada, 7.500%, May 2, 2084	689,581	715,747	
297,000 Sagen MI Canada Inc., 4.950%, March 24, 2081	260,618	265,762	
225,000 Toronto-Dominion Bank, 7.232%, December 31, 2049	224,438	228,796	
899,000 WildBrain Ltd., 5.875%, September 30, 2024	813,153	867,490	
Total Corporate Bonds	31,131,385	31,285,940	81.10%
Mortgage Backed Securities			
1,000,000 Institutional Mortgage Securities Canada Inc., 3.839%, October 12, 2026	836,370	910,200	
1,000,000 Real Estate Asset Liquidity Trust, 4.323%, August 12, 2053	884,459	883,300	
Total Mortgage Backed Securities	1,720,829	1,793,500	4.65%
Total Bonds and Mortgage Backed Securities	38,518,471	38,809,740	100.60%
Total Investments	38,518,471	38,809,740	100.60%
Cash and other assets, net of liabilities	(232,692)	(232,692)	(0.60)%
Net Assets		38,577,048	100.00%

The accompanying notes are an integral part of the financial statements.

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2024 (Unaudited)

1. Establishment of the Fund

Ridgewood Tactical Yield Fund (the "Fund") is an open-end mutual fund trust existing under the laws of Ontario pursuant to an amended and restated Master Declaration of Trust dated September 1, 2008, executed by Ridgewood Capital Asset Management Inc. ("Ridgewood" or the "Manager") in its separate capacities as manager and trustee of the Fund, and a Fund Master Declaration of Trust dated March 31, 2011 as amended on July 1, 2018. The Fund began operations on March 31, 2011. The Fund's principal office is 55 University Avenue, Suite 1020, Toronto, Ontario M5J 2H7. The fiscal year end of the Fund is December 31.

Ridgewood is also the investment manager and distributor of units of the Fund. RBC Investor & Treasury Services is the custodian, transfer agent, administrator and registrar of the Fund, and, as such, performs certain valuation and other services for the Fund. The financial statements are authorized for issuance by the Manager on August 19, 2024.

2. Investment objective of the Fund

The investment objective of the Fund is to achieve a high level of income and capital gains from an actively managed portfolio. The Fund is invested primarily in securities of Canadian issuers, including preferred shares, investment grade bonds, convertible bonds, real estate investment trusts ("REITs") and high yield bonds. The Fund may also invest in comparable securities of foreign issuers. Assets of the Fund may also be held in interest-bearing accounts at a bank or trust company, including the custodian, invested in guaranteed investment certificates or invested in Canadian short-term debt obligations.

3. Basis of presentation

These financial statements have been prepared in compliance with IFRS Accounting Standards including International Accounting Standards ("IAS") 34: Interim Financial reporting, as issued by the International Accounting Standards Board ("IASB").

4. Summary of Material Accounting Policy Information

Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives, cash and other trade receivables and payables. All financial assets and liabilities are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all risks and rewards of ownership.

Classification and Measurement

The investments are classified as at fair value through profit or loss. The Fund classifies its investments in debt and equity securities and open-ended investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales.

Financial assets and financial liabilities at amortized cost

The financial assets and liabilities measured at amortized cost include loans payable, accrued interest receivable, cash, accrued expenses and distribution payable, subscriptions receivable and payable and due to/from brokers.

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2024 (Unaudited)

4. Summary of Material Accounting Policy Information (continued)

IFRS 9 Financial Instruments ("IFRS 9")

Financial assets carried at amortized cost are subject to expected credit loss model ("ECL") as required by IFRS 9. The Fund's financial assets measured at amortized cost consist of trade receivables with no financing component and which have maturities of less than 12 months, as such, it has chosen to apply the simplified ECL approach, whereby any loss allowance is recognized based on the lifetime ECLs. Given the short-term nature of the trade receivables and high credit quality, these trade receivables are not considered impaired.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

Transaction costs

Transaction costs are expensed and are included in "transaction costs" in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. The cost of investments for each security is determined on an average cost basis.

Capital Disclosures

The Fund's objectives, policies and processes for managing capital are described in Note 2. Information on the Funds' capital structure is described in Note 5. The Fund does not have any externally imposed capital requirements.

Valuation of Investments

Investments are recorded in the financial statements at their fair value which is determined as follows:

All exchange traded equities (and other securities) are valued using the last trade or closing price (where available) from the primary exchange. If no current closing price is available the average of bid price and ask price (mid-price) will be taken. If no current pricing is available the previous business day's price will be used.

Bonds are valued at the mean of bid/ask prices provided by recognized investment dealers. Mutual fund units held are priced using the "NAV" per unit which is fair value, as of the valuation date for the particular fund for both reporting Net Assets attributable to holders of redeemable units and daily NAV.

Short-term notes and treasury bills are stated at amortized cost, which approximates fair market value, are included in the Schedule of Investments.

Cash is comprised of cash on deposit.

Investment Transactions

Investment transactions are recorded on trade date. Interest income from investments in bonds and short-term investments are accrued daily. Realized gains and losses from investment transactions are calculated on a weighted average cost basis.

Income Recognition

Interest income for distribution purposes resulting from investments in bonds is recognized on an accrual basis based on the bond coupon rate.

Dividend income is recognized on the ex-dividend date.

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2024 (Unaudited)

4. Summary of Material Accounting Policy Information (continued)

Financial Instruments - Disclosures

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows.

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Investment Manager has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices that is observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.

All fair value measurements above are recurring. The carrying values of cash, subscriptions receivable, accrued interest receivable, due to/from brokers, redemptions payable, distributions payable, accrued liabilities and the Fund's obligation for net assets attributable to holders of redeemable units approximates their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

a) Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

b) Bonds and short-term investments

Bonds include primarily government and corporate bonds. Short-term notes and treasury bills are stated at amortized cost, plus accrued interest, which approximates fair market value. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2.

Please see Note 12 for these disclosures.

Foreign currency

a) Functional and presentation currency

Items included in the financial statements of the Fund are measured in the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements of the Fund are presented in Canadian Dollar ("CAD") which is the Fund's functional currency.

b) Foreign currency translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary items and non-monetary assets and liabilities that are denominated in foreign currencies are recognized in profit or loss in the period in which they arise. Foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognized together with other changes in fair value.

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2024 (Unaudited)

4. Summary of Material Accounting Policy Information (continued)

Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

a) Fair value measurement of derivatives and securities not quoted in active market

The Fund holds financial instruments that are not quoted in active markets. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding.

The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 12 – Financial Instruments – Fair Value Disclosure for further information about the fair value measurement of the Fund's financial instruments.

b) Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about whether or not the business of the Fund is to manage its portfolio of investments and evaluate performance on a fair value basis and that the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The most significant judgments made include assessing and determining the appropriate business model that enables the decision that the Fund's investments are classified as FVTPL.

5. Redeemable Units

Each unitholder in the Fund acquires redeemable units, which represent an undivided interest in the net assets of the Fund. All redeemable units are of the same class with equal rights and privileges. Each redeemable unit is entitled to one vote at any meeting of unitholders and to equal participation in any distributions made by the Fund. Fractional units are not entitled to voting privileges. Each redeemable unit is redeemable at the option of the unitholder in accordance with the Trust Agreement and the number of redeemable units which may be issued is unlimited. The units of the Fund are fully paid when issued and are generally not transferable.

As of July 1, 2018, the previously issued units of the Fund were renamed class A units and an additional class of units designated as class F units were created for the Fund. Units of class F were issued July 3, 2018.

Following are the redeemable unit transactions during the periods from January 1 to June 30, 2024 and January 1 to December 31, 2023:

	2024		2023	
	Class A	Class F	Class A	Class F
Units outstanding, beginning of period	3,658,006	1,104,714	3,801,185	1,081,476
Units issued for cash	194,585	-	1,144,676	337,343
Units redeemed	(687,708)	(14,266)	(1,475,722)	(366,133)
Reinvestment of distribution	72,808	23,017	187,867	52,028
Units outstanding, end of period	3,237,691	1,113,465	3,658,006	1,104,714

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2024 (Unaudited)

6. Related party transactions

The Fund's investment activities are managed by Ridgewood Capital Asset Management Inc.

Management fees

Under the terms of the Master Declaration of Trust, the Fund appointed the Manager to provide management services. The Manager receives a fee in respect of each series of a class of the Fund which shall be paid from the assets of the Fund. The maximum management fee is equal to 1.25% (excluding HST) of the net asset value of the Fund. Services received under the Declaration of Trust include managing or arranging for the management of the Fund's investment portfolio and providing or arranging for all required administrative services to the Fund. Total management fees for the period ended June 30, 2024 amounted to \$135,736 (2023 - \$166,994).

Independent Review Committee fees

The total remuneration paid to members of the Independent Review Committee ("IRC") during the six month period ended June 30, 2024 was \$8,933 (2023 - \$8,933).

7. Management fees and expenses

Ridgewood is entitled to an annual management fee payable out of the assets of each class of units of the Fund. The maximum management fee of each class of units of the Fund is equal to the "Maximum Ordinary Expenses", which is the percentage of the weighted average net asset value of each class of units of the Fund as shown below, less the Ordinary Expenses (as defined below) of each class of units of the Fund. The Maximum Ordinary Expenses acts as a cap on the management fee and ordinary expenses of the Fund. The management fee is estimated and paid on a monthly basis as of the last valuation date each month and shall be adjusted annually. The Maximum Ordinary Expenses of a class of units of the Fund will not be increased unless unitholders of the applicable class have received at least 60 days written notice of the increase.

	Class A	Class F
Maximum Ordinary Expenses percentage	1.25%	0.35%

"Ordinary Expenses" are paid out of the assets of the Fund and include normal course day-to-day operating expenses of the Fund such as fees and expenses payable to the custodian and any sub-custodian, printing and postage expenses incurred in connection with the provision of information to unitholders, legal, accounting and audit fees and regulatory filing fees. Ordinary Expenses may include common and class expenses. Class expenses are expenses that are attributable to a class of units of the Fund, while common expenses are all expenses of the Fund that are not class expenses.

The Fund may also be subject to other expenses incurred in the day-to-day operations of the Fund, including commissions, brokerage fees and other fees and disbursements directly relating to the implementation of transactions for the portfolio of the Fund, costs associated with the IRC, taxes payable by the Fund or to which the Fund may be subject (such as goods and services taxes and harmonized sales taxes), any interest expenses, as well as expenses incurred in respect of matters not in the ordinary course of the day-to-day activities of the Fund, all of which are the responsibility of the Fund. These expenses are not included in the Maximum Ordinary Expenses and accordingly are attributable to both the class A units and the class F units of the Fund, as applicable. If the total ordinary expenses are greater than the Maximum Ordinary Expenses, Ridgewood will reimburse the Fund the amount of such excess.

8. Brokerage commissions

The Fund uses some of the commissions generated from transactions with the brokerage industry for goods and services used in the investment decision making process and other executions.

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2024 (Unaudited)

9. Distributions

Net income and net realized capital gains of the Fund may be declared payable to unitholders of the Fund from time to time at the discretion of Ridgewood, provided that in each year sufficient net income and net realized capital gains will be made payable to unitholders so that the Fund will not be liable for income tax thereon, except to the extent that any tax payable on net realized capital gains retained by the Fund would be immediately refundable to it.

Net income and net realized capital gains payable to unitholders of the Fund will be automatically reinvested in additional units of the Fund as of the valuation date of payment unless the unitholder otherwise requests in writing.

10. Income taxes

The Fund qualifies as a "mutual fund trust" under the Income Tax Act (Canada). The Fund uses the "capital gains refund mechanism" which allows a mutual fund trust to retain some capital gains without paying any tax thereon. As a result, the Fund may not distribute all its net capital gains. The net income and net capital gains of the Fund that would otherwise be taxable in the Fund are either paid or payable to unitholders in each calendar year. Accordingly, no income tax is paid or payable by the Fund. Such income is taxable in the hands of the unitholders.

As at December 31, 2023, the Fund had capital losses of \$3,478,383 (2022 - \$1,767,285) are available for utilization against realized gains on sales of investments in future years. The capital losses can be carried forward indefinitely. The Fund has no non-capital losses.

11. Financial instruments and risk management

The Fund's financial instruments consist of bonds, equities, short-term investments, and cash. As a result, the Fund is primarily exposed to interest rate risk and credit risk.

These risks and related risk management practices employed by the Fund are discussed below:

Interest Rate Risk

The Fund's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The table summarizes the Fund's exposure to interest rate risks, categorized by the earlier of contractual re-pricing or maturity dates.

As at June 30, 2024								
	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 3 years	3-5 years	More than 5 years	Non interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Interest Rate								
Exposure	-	867,490	497,500	2,958,622	1,966,625	32,519,503	-	38,809,740

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2024 (Unaudited)

11. Financial instruments and risk management (continued)

Interest Rate Risk (continued)

As at December 31, 2023							
	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 3 years	3-5 years	More than 5 years	Non interest bearing
	\$	\$	\$	\$	\$	\$	\$
Interest Rate Exposure	1,196,310	-	848,611	4,980,758	1,550,971	31,822,846	-
							40,399,496

At June 30, 2024, should interest rates have decreased by 100 basis points with all other variables remaining constant, the increase in net assets attributable to holders of redeemable units for the period would amount to approximately \$7.4 million (December 31, 2023 - \$6.9 million) arising substantially from the increase in market values of debt securities. Conversely, if interest rates had risen by 100 basis points, the decrease in net assets attributable to holders of redeemable units would amount to approximately \$7.4 million (December 31, 2023 - \$6.9 million).

Credit Risk

Financial instruments that potentially subject the Fund to a concentration of credit risk consist primarily of cash and investments. The Fund limits its exposure to credit loss by placing its cash and short-term investments with high quality government and financial institutions. To maximize the credit quality of its investments, the Fund's managers perform ongoing credit evaluations based upon factors surrounding the credit risk of customers, historical trends and other information. The Fund measures credit risk and lifetime ECL's related to the accrued interest receivables using historical analysis and forward looking information.

The Fund's main credit risk concentration is spread between AAA/Aaa and B/B rated securities.

The Fund invests in financial assets, which have an investment grade as rated by a well-known rating agency DBRS Morningstar.

Portfolio by rating category

Rating	June 30, 2024 As a % of Net Assets
AAA/Aaa	13.41%
AA/Aa	1.20%
A/A	4.15%
BBB/Baa	34.02%
BB/Ba	36.95%
B/B	10.87%
Total	100.60%

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2024 (Unaudited)

11. Financial instruments and risk management (continued)

Credit Risk (continued)

Portfolio by rating category

Rating	December 31, 2023
	As a % of Net Assets
AAA/Aaa	15.03%
AA/Aa	1.19%
A/A	4.83%
BBB/Baa	35.02%
BB/Ba	29.05%
B/B	11.95%
Total	97.07%

All transactions in listed securities are settled for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at June 30, 2024, the Fund held \$715,747 (December 31, 2023 – \$123,896) in assets and liabilities denominated in currencies other than the Canadian dollar. As at June 30, 2024, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies represented in the portfolio, with all other variables remaining constant, net assets would have increased or decreased by approximately \$35,787 (December 31, 2023 – \$6,195).

Liquidity Risk

Liquidity risk is the risk that a Fund will encounter difficulty in meeting obligations associated with its daily cash redemption of units. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and which can be readily disposed of and by retaining sufficient cash and cash equivalent positions. The tables below analyze the Fund's financial liabilities as at June 30, 2024 and December 31, 2023.

June 30, 2024

Financial Liabilities	On Demand	< 3 Months	Total
Redemptions payable	\$ -	\$ 100	\$ 100
Accrued expenses	-	68,940	68,940
Due to brokers	-	1,000,000	1,000,000
Net Assets attributable to holders of redeemable units	38,577,048	-	38,577,048
Total Liabilities	\$ 38,577,048	\$ 1,069,040	\$ 39,646,088

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2024 (Unaudited)

11. Financial instruments and risk management (continued)

December 31, 2023

Financial Liabilities	On Demand	< 3 Months	Total
Redemptions payable	\$ -	\$ 57,950	\$ 57,950
Accrued expenses	-	43,490	43,490
Net Assets attributable to holders of redeemable units	41,619,854	-	41,619,854
Total Liabilities	\$ 41,619,854	\$ 101,440	\$ 41,721,294

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk as a percentage of net assets attributable to holders of redeemable units:

Market segments	June 30, 2024	December 31, 2023
Canadian Short Term Investments	-	2.87%
Federal Bonds	13.41%	13.34%
Provincial Bonds	1.44%	-
Corporate Bonds	81.10%	71.49%
Mortgage Backed Securities	4.65%	9.37%
Total	100.60%	97.07%

12. Financial Instruments

Fair Value Disclosure

The Fund's financial assets recorded at fair value have been categorized based upon a fair value hierarchy described in Note 4. The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as of June 30, 2024 and December 31, 2023.

	Financial assets at fair value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	243,896	-	-	243,896
Bonds	715,747	36,300,493	-	37,016,240
Mortgage Backed Securities (MBS)	-	1,793,500	-	1,793,500
	959,643	38,093,993	-	39,053,636

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2024 (Unaudited)

Financial assets at fair value as of December 31, 2023				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	163,058	-	-	163,058
Canadian Short Term Investments	-	1,196,310	-	1,196,310
Bonds	-	35,305,379	-	35,305,379
Mortgage Backed Securities (MBS)	-	3,897,807	-	3,897,807
	163,058	40,399,496	-	40,562,554

During the six months period ended June 30, 2024, there were no transfers made from Levels 1 to Level 2 as a result of changes in the availability of quoted market prices or observable market inputs.

During the year ended December 31, 2023, there were no securities transferred between levels.

Mutual Funds
Managed by Ridgewood Capital Asset Management Inc.

Ridgewood Tactical Yield Fund

Head Office:
Ridgewood Capital Asset Management Inc.
55 University Avenue, Suite 904
Toronto ON
M5J 2H7

Visit our website at www.ridgewoodcapital.ca for additional information on Ridgewood Funds.