



Ridgewood Tactical Yield Fund

Interim Financial Report (Unaudited)
For the six months ended June 30, 2025

Ridgewood Tactical Yield Fund
Interim Financial Report (Unaudited)

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Message to Unitholders

It has been a volatile first half of 2025. During the first several months markets were focused on President Trump's worldwide tariff program and recent negative impact on investment markets. With US economic metrics generally stronger than consensus and the near certainty of pricing increases from new tariffs to be passed onto consumers, the US Federal reserve has paused their monetary easing. The FED funds rate is currently 4.50%; the last change occurred at their December 2024 meeting which resulted in a 25 basis point decrease from 4.75% to 4.50%. Meanwhile, the Bank of Canada has continued their rate reduction with two 25 basis points cuts bringing rates to 2.75%. Continued housing weakness and tariffs imposed by the Trump administration are expected to further depress economic activity within Canada. 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 return of 2.02% despite the uncertainty about tariff rates and timing of implementation. The Bank of Canada further decreased overnight rates by 50 basis points during the quarter. The top 2 performing sectors were Infrastructure and Communication bonds with returns of 2.33% and 2.26%. Within Corporates, Corporate A had the best performance at 1.84%. The Canadian stock market was almost unchanged as the S&P/TSX returned 0.77% for the quarter.

In the second quarter, increased volatility, with no further rate cuts from the Bank of Canada resulted in negative returns for bonds, but stocks were able to fare better with a further delay in the Trump Administration's tariff package against Canada. Further evidence of over stretched Canadian consumers led to the FTSE Canada Universe Bond Index returning -0.57%. Corporate debt outperformed the benchmark with a return of 0.45%. The S&P/TSX returned 7.78% for the quarter.

The FTSE Canada Universe Bond Index returned 1.44% year to date while the Corporate Bond Index returned 2.28%. Communication bonds were the strongest sector, returning 2.88%. It was also the case that Corporate BBB and AAA/AA bonds returned 2.47% and 2.35%, 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. We are comfortable remaining fully invested and overweighted in BBB corporate bonds.

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 7, 2025

Ridgewood Tactical Yield Fund

Interim Financial Report 2025 (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

STATEMENTS OF FINANCIAL POSITION

As at June 30, 2025 (Unaudited) and December 31, 2024 (audited)

| | 30-Jun-25 | 31-Dec-24 |
|---------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Assets | | |
| Financial assets at fair value through profit or loss (Cost: 30-Jun-25 - \$70,635,976; 31-Dec-24 - \$40,708,863) | 71,462,809 | 42,017,900 |
| Short-term investments at fair value (Cost: 30-Jun-25 - \$0; 31-Dec-24 - \$1,370,856) | - | 1,370,856 |
| Cash | 320,330 | 23,739 |
| Accrued interest receivable | 907,984 | 647,669 |
| Prepaid fees | 4,243 | 9,955 |
| Subscriptions receivable | - | 42,000 |
| Total Assets | 72,695,366 | 44,112,119 |
| Liabilities | | |
| Accrued expenses | 84,801 | 66,001 |
| Distributions Payable | 160 | - |
| Due to Brokers | 1,956,126 | - |
| Total Liabilities (excluding net assets attributable to holders of redeemable units) | 2,041,087 | 66,001 |
| Net Assets attributable to holders of redeemable units | 70,654,279 | 44,046,118 |
| Net assets attributable to holders of redeemable units per class | | |
| Class A | 47,097,968 | 32,412,497 |
| Class F | 23,556,311 | 11,633,622 |
| | 70,654,279 | 44,046,118 |
| Number of redeemable units outstanding | | |
| Class A | 5,198,632 | 3,571,276 |
| Class F | 2,378,734 | 1,180,613 |
| | 7,577,366 | 4,751,889 |
| Net assets attributable to holders of redeemable units per unit | | |
| Class A | 9.0597 | 9.0759 |
| Class F | 9.9029 | 9.8539 |

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



Director
John H. Simpson, CFA



Paul W. Meyer, CFA

Director

STATEMENTS OF COMPREHENSIVE INCOME

For the six months periods ended June 30, 2025 and 2024 (Unaudited)

| | 2025 | 2024 |
|-----------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| | \$ | \$ |
| Income | | |
| Interest income for distribution purposes | 1,706,527 | 1,215,404 |
| 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 on sale of investments | 231,047 | 108,763 |
| Net change in unrealized (depreciation) appreciation of investments | (482,211) | 244,674 |
| Total income | 1,455,363 | 1,568,842 |
| Expenses | | |
| Management fees (Note 7) | 187,065 | 135,736 |
| Administrative and other expenses | 22,626 | 23,569 |
| Custodian fees | 39,180 | 45,238 |
| HST expense | 31,465 | 24,098 |
| Independent Review Committee fees | 8,933 | 8,933 |
| Audit fees | 11,139 | 11,535 |
| Legal fees | 13,213 | 9,191 |
| Total operating expenses | 313,621 | 258,300 |
| Operating profit | 1,141,742 | 1,310,542 |
| Increase in net assets attributable to holders of redeemable units | 1,141,742 | 1,310,542 |
| Increase in net assets attributable to holders of redeemable units | | |
| Class A | 743,074 | 914,493 |
| Class F | 398,668 | 396,049 |
| | 1,141,742 | 1,310,542 |
| Daily average number of redeemable units outstanding | | |
| Class A | 4,539,014 | 3,375,189 |
| Class F | 1,863,016 | 1,106,510 |
| | 6,402,030 | 4,481,699 |
| Increase in net assets attributable to holders of redeemable units per unit per unit | | |
| Class A | 0.1637 | 0.2709 |
| Class F | 0.2140 | 0.3579 |

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, 2025 and 2024 (Unaudited)

| | 2025 | 2024 |
|--------------------------------------------------------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Net assets attributable to holders of redeemable units at beginning of period | | |
| Class A | 32,412,497 | 31,446,101 |
| Class F | 11,633,622 | 10,173,753 |
| | 44,046,119 | 41,619,854 |
| Distributions to redeemable unitholders | | |
| From net investment income | | |
| Class A | (886,040) | (640,043) |
| Class F | (380,807) | (212,164) |
| | (1,266,847) | (852,207) |
| Total distributions to redeemable unitholders | | |
| Class A | (886,040) | (640,043) |
| Class F | (380,807) | (212,164) |
| | (1,266,847) | (852,207) |
| Redeemable unit transactions (Note 5) | | |
| Proceeds from units issued | | |
| Class A | 15,136,245 | 1,663,300 |
| Class F | 12,172,500 | - |
| | 27,308,745 | 1,663,300 |
| Amount paid for units redeemed | | |
| Class A | (1,168,141) | (5,869,012) |
| Class F | (648,477) | (131,500) |
| | (1,816,618) | (6,000,512) |
| Reinvestment of distributions | | |
| Class A | 860,334 | 623,907 |
| Class F | 380,806 | 212,164 |
| | 1,241,140 | 836,071 |
| Total redeemable unit transactions | | |
| Class A | 14,828,438 | (3,581,805) |
| Class F | 11,904,829 | 80,664 |
| | 26,733,267 | (3,501,141) |
| Increase in net assets attributable to holders of redeemable units | | |
| Class A | 743,074 | 914,493 |
| Class F | 398,668 | 396,049 |
| | 1,141,742 | 1,310,542 |
| Net assets attributable to holders of redeemable units at end of period | | |
| Class A | 47,097,968 | 28,138,746 |
| Class F | 23,556,311 | 10,438,302 |
| | 70,654,279 | 38,577,048 |

STATEMENTS OF CASH FLOWS

For the six months periods ended June 30, 2025 and 2024 (Unaudited)

| | 2025 | 2024 |
|------------------------------------------------------------------------------------|---------------------|--------------------|
| | \$ | \$ |
| Cash provided by (used in) operating activities | | |
| Net increase in net assets attributable to holders of redeemable units | 1,141,742 | 1,310,542 |
| Adjustments for | | |
| Interest income on short-term notes | (9,709) | (2,807) |
| Net (gain) on foreign exchange | - | (1) |
| Net realized (gain) on investments excluding foreign currency | (231,047) | (108,763) |
| Net change in unrealized depreciation (appreciation) of investments | 482,211 | (244,674) |
| Purchase of investments | (90,349,568) | (17,090,755) |
| Proceeds from sale of investments | 62,034,059 | 19,036,755 |
| (Increase) in accrued interest and dividends receivable | (260,315) | (86,993) |
| Decrease in investment proceeds receivable | - | 88,440 |
| Decrease (increase) in prepaid fees | 5,712 | (2,794) |
| Increase in accrued expenses | 18,800 | 25,450 |
| Increase in investment purchases payable | 1,956,126 | 1,000,000 |
| Net cash (used in) provided by in operating activities | (25,211,989) | 3,924,400 |
| Cash provided by (used in) financing activities | | |
| Subscriptions received in advance | 42,000 | 567,635 |
| Payable for units redeemed | - | (57,850) |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (25,547) | (16,136) |
| Proceeds from units issued | 27,308,745 | 1,663,300 |
| Amount paid for units redeemed | (1,816,618) | (6,000,512) |
| Net cash provided by (used in) financing activities | 25,508,580 | (3,843,563) |
| Increase in cash | 296,591 | 80,837 |
| Net gain on foreign exchange | - | 1 |
| Cash, end of period | 23,739 | 163,058 |
| Cash, end of period | 320,330 | 243,896 |
| Interest received | 1,446,212 | 1,128,411 |
| Dividends received, net of withholding taxes | - | - |

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

Ridgewood Tactical Yield Fund
Schedule of investments (Unaudited)

As at June 30, 2025

| Par Value | Average Cost | Fair Value | % of Portfolio |
|-------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| | \$ | \$ | |
| Investments | | | |
| Federal Bonds | | | |
| 1,500,000 Canadian Government Bond, 3.250%, December 1, 2034 | 1,487,545 | 1,499,864 | |
| 10,075,000 Canadian Government Bond, 2.750%, December 1, 2055 | 8,810,076 | 8,561,117 | |
| Total Federal Bonds | 10,297,621 | 10,060,981 | 14.24% |
| Federal Bonds | | | |
| 100,000 Canada Housing Trust No 1, 3.650%, June 15, 2033 | 103,884 | 101,716 | |
| Total Federal Bonds | 103,884 | 101,716 | 0.14% |
| Provincial Bonds | | | |
| 1,000,000 Province of Manitoba Canada, 2.850%, September 5, 2046 | 752,600 | 770,553 | |
| 1,500,000 Province of Ontario Canada, 3.500%, June 2, 2043 | 1,371,090 | 1,339,257 | |
| 500,000 Province of Ontario Canada, 3.750%, December 2, 2053 | 439,390 | 445,924 | |
| 1,000,000 Province of Ontario Canada, 3.800%, December 2, 2034 | 1,014,834 | 999,543 | |
| 1,000,000 Province of Quebec Canada, 3.250%, September 1, 2032 | 995,700 | 987,482 | |
| Total Provincial Bonds | 4,573,614 | 4,542,759 | 6.43% |
| Municipal Bonds | | | |
| 1,000,000 City of Toronto Canada, 4.500%, March 11, 2055 | 962,970 | 977,978 | |
| Total Municipal Bonds | 962,970 | 977,978 | 1.38% |
| Corporate Bonds | | | |
| 1,000,000 Ag Growth International Inc, 7.500%, June 30, 2030 | 1,000,000 | 1,021,105 | |
| 1,000,000 Algonquin Power & Utilities Corp, 5.250%, January 18, 2082 | 991,250 | 979,726 | |
| 1,000,000 AltaGas Ltd, 5.250%, January 11, 2082 | 1,000,000 | 977,058 | |
| 850,000 AT&T Inc, 4.850%, May 25, 2047 | 742,518 | 815,130 | |
| 1,000,000 Athabasca Oil Corp, 6.750%, August 9, 2029 | 1,000,000 | 1,029,375 | |
| 1,500,000 Bell Telephone Co of Canada or Bell Canada, 5.625%, March 27, 2055 | 1,499,999 | 1,507,184 | |
| 500,000 Bonterra Energy Corp, 10.500%, January 28, 2030 | 495,290 | 505,000 | |
| 1,000,000 Brookfield Infrastructure Finance ULC, 5.598%, September 1, 2055 | 1,000,000 | 1,005,803 | |
| 500,000 Brookfield Renewable Partners ULC, 5.318%, January 10, 2054 | 500,000 | 509,994 | |
| 750,000 Brookfield Renewable Partners ULC, 5.373%, September 10, 2055 | 750,000 | 753,524 | |
| 100,000 Brookfield Renewable Partners ULC, 5.450%, March 12, 2055 | 100,000 | 99,938 | |
| 1,000,000 Canadian Imperial Bank of Commerce, 4.150%, April 2, 2035 | 998,570 | 1,002,567 | |
| 500,000 Canadian Imperial Bank of Commerce, 6.369%, April 28, 2085 | 500,000 | 504,005 | |
| 500,000 Canadian National Railway Co, 5.100%, May 2, 2054 | 498,780 | 529,869 | |
| 1,000,000 Capital Power Corp, 7.950%, September 9, 2082 | 1,000,000 | 1,090,837 | |
| 500,000 Cargojet Inc, 4.599%, June 30, 2030 | 500,000 | 503,266 | |
| 1,350,000 Chemtrade Logistics Inc, 6.375%, August 28, 2029 | 1,350,964 | 1,363,750 | |
| 500,000 Cineplex Inc, 7.625%, March 31, 2029 | 500,000 | 523,905 | |
| 1,000,000 Coast Capital Savings Federal Credit Union, 8.875%, May 2, 2033 | 1,000,000 | 1,059,726 | |
| 1,250,000 Cominar Real Estate Investment Trust, 7.800%, December 18, 2027 | 1,250,000 | 1,257,389 | |
| 550,000 Corus Entertainment Inc, 5.000%, May 11, 2028 | 236,250 | 183,219 | |
| 500,000 Electricite de France SA, 5.231%, February 6, 2055 | 500,000 | 478,754 | |
| 1,000,000 Empire Communities Corp, 7.625%, November 1, 2029 | 1,000,000 | 986,875 | |
| 1,000,000 Empire Life Insurance Co/The, 3.625%, April 17, 2081 | 910,375 | 914,180 | |
| 750,000 Enbridge Pipelines Inc, 5.820%, August 17, 2053 | 749,685 | 819,995 | |
| 500,000 Energir LP, 4.830%, June 2, 2053 | 499,765 | 511,597 | |
| 750,000 EQB Inc, 8.000%, October 31, 2084 | 750,000 | 776,656 | |
| 750,000 Fairfax Financial Holdings Ltd, 5.230%, November 23, 2054 | 750,000 | 764,970 | |
| 1,000,000 Fortis Inc/Canada, 4.090%, March 26, 2032 | 1,000,000 | 1,003,004 | |
| 1,000,000 G Cooper Equipment Rentals Ltd, 7.450%, July 4, 2029 | 1,018,750 | 1,002,917 | |
| 400,000 Gibson Energy Inc, 5.250%, December 22, 2080 | 388,920 | 391,841 | |
| 1,100,000 Heavy Metal Equipment & Rentals, 7.250%, February 26, 2030 | 1,095,000 | 1,075,250 | |
| 1,000,000 HomeEquity Bank, 4.717%, July 17, 2028 | 999,970 | 1,002,336 | |
| 500,000 Hydro One Inc, 4.850%, November 30, 2054 | 516,575 | 515,185 | |
| 500,000 iA Financial Corp Inc, 6.921%, September 30, 2084 | 500,000 | 516,201 | |
| 1,000,000 Intact Financial Corp, 4.125%, March 31, 2081 | 958,520 | 993,046 | |
| 250,000 Inter Pipeline Ltd/AB, 5.091%, November 27, 2051 | 213,790 | 232,766 | |
| 750,000 Inter Pipeline Ltd/AB, 6.750%, December 12, 2054 | 750,000 | 748,126 | |
| 1,000,000 Inter Pipeline Ltd/AB, 6.875%, March 26, 2079 | 934,000 | 1,031,741 | |
| 500,000 Keyera Corp, 5.663%, January 4, 2054 | 500,000 | 525,145 | |
| 750,000 Keyera Corp, 5.950%, March 10, 2081 | 756,469 | 757,522 | |
| 500,000 Kruger Products Inc, 6.625%, November 1, 2031 | 500,000 | 502,661 | |
| 1,250,000 Laurentian Bank of Canada, 5.300%, June 15, 2081 | 1,158,733 | 1,118,079 | |
| 1,000,000 Mattt Corp, 7.250%, April 2, 2031 | 1,000,000 | 1,026,250 | |
| 568,000 NFI Group Inc, 5.000%, January 15, 2027 | 487,939 | 562,661 | |
| 1,000,000 North American Construction Group Ltd, 7.750%, November 1, 2030 | 1,000,000 | 1,042,500 | |
| 900,000 Northland Power Inc, 9.250%, June 30, 2083 | 938,396 | 982,541 | |
| 500,000 NorthWest Healthcare Properties Real Estate Investment Trust, 5.514%, February 18, 2030 | 500,000 | 502,284 | |
| 500,000 Nova Scotia Power Inc, 5.355%, March 24, 2053 | 500,000 | 528,638 | |
| 1,000,000 Obsidian Energy Ltd, 11.950%, July 27, 2027 | 980,000 | 1,035,000 | |
| 450,000 Pembina Pipeline Corp, 4.800%, January 25, 2081 | 437,051 | 441,431 | |
| 1,000,000 Pembina Pipeline Corp, 5.950%, June 6, 2055 | 1,000,000 | 1,008,537 | |
| 1,000,000 PSP Capital Inc, 4.250%, December 1, 2055 | 952,400 | 966,632 | |
| 500,000 Royal Bank of Canada, 7.500%, May 2, 2084 | 689,581 | 706,699 | |
| 1,297,000 Sagen MI Canada Inc, 4.950%, March 24, 2081 | 1,189,618 | 1,235,806 | |
| 1,000,000 Sollio Cooperative Group, 6.000%, July 3, 2030 | 1,000,000 | 1,009,170 | |
| 800,000 Sun Life Financial Inc, 3.600%, June 30, 2081 | 705,000 | 720,335 | |
| 1,500,000 Surge Energy Inc, 8.500%, September 5, 2029 | 1,500,000 | 1,522,501 | |
| 500,000 Teranet Holdings LP, 5.010%, March 7, 2035 | 500,560 | 499,092 | |
| 1,000,000 Top Aces Inc, 9.000%, March 13, 2030 | 1,000,000 | 1,020,625 | |
| 1,250,000 Toronto-Dominion Bank/The, 5.909%, January 31, 2085 | 1,224,500 | 1,220,907 | |
| 750,000 TransAlta Corp, 5.625%, March 24, 2032 | 750,000 | 766,406 | |
| 1,000,000 Wolf Midstream Canada LP, 5.950%, July 18, 2033 | 999,870 | 1,013,393 | |
| 750,000 Wolf Midstream Canada LP, 6.400%, July 18, 2029 | 750,000 | 777,188 | |
| Total Corporate Bonds | 51,469,088 | 52,499,813 | 74.31% |
| Mortgage Backed Securities | | | |
| 1,000,000 Cologix Canadian Issuer LP, 4.940%, January 25, 2052 | 974,700 | 976,500 | |
| 500,000 Real Estate Asset Liquidity Trust, 4.951%, January 12, 2060 | 482,157 | 480,500 | |
| 977,000 Real Estate Asset Liquidity Trust, 4.951%, January 12, 2060 | 887,483 | 885,162 | |
| 1,000,000 Real Estate Asset Liquidity Trust, 4.39440%, August 12, 2053 | 884,459 | 937,400 | |
| Total Mortgage Backed Securities | 3,228,799 | 3,279,562 | 4.64% |
| Total Bonds and Mortgage Backed Securities | 70,635,976 | 71,462,809 | 101.14% |
| Transaction costs | (14) | | |
| Total Investments | 70,635,962 | 71,462,809 | 101.14% |
| Cash and other assets, net of liabilities | (808,530) | (808,530) | -1.14% |
| Net Assets | | 70,654,279 | 100.00% |

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2025 (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 904, 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 7, 2025

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 published by the International Accounting Standards Board ("IASB"). These semi annual financial statements as at June 30, 2025 were not reviewed by the Fund's auditors.

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 Fund has 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, distribution payable, subscriptions receivable and payable and due to/from brokers.

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2025 (Unaudited)

4. Summary of material accounting policy information (continued)

Financial instruments (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.

Capital Disclosures

The Fund's objectives, policies and processes for managing capital are described in Note 2. Information on the Fund's 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:

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.

Financial Instruments - Disclosures

The Fund classifies fair value measurements within a hierarchy that prioritize the inputs to valuation techniques used to measure fair value. 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:

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2025 (Unaudited)

4. Summary of material accounting policy information (continued)

Financial Instruments – Disclosures (continued)

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) 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.

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.

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2025 (Unaudited)

4. Summary of material accounting policy information (continued)

Critical accounting estimates and judgments (continued)

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, 2025 and January 1 to December 31, 2024:

| | 2025 | | 2024 | |
|----------------------------------------|-----------|-----------|-----------|-----------|
| | Class A | Class F | Class A | Class F |
| Units outstanding, beginning of period | 3,571,276 | 1,180,613 | 3,658,006 | 1,104,714 |
| Units issued for cash | 1,661,603 | 1,225,214 | 581,906 | 37,530 |
| Units redeemed | (128,972) | (65,575) | (832,604) | (14,266) |
| Reinvestment of distribution | 94,725 | 38,482 | 163,698 | 52,635 |
| Units outstanding, end of period | 5,198,632 | 2,378,734 | 3,571,276 | 1,180,613 |

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2025 (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, 2025 amounted to \$187,065 (2024 - \$135,736).

Independent Review Committee fees

The total remuneration paid to members of the Independent Review Committee ("IRC") during the six month period ended June 30, 2025 was \$8,933 (2024 - \$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, 2025 (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, 2024, the Fund had capital losses of \$3,411,647 (2023 - \$3,478,383) 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, 2025 | | | | | | | | |
|---------------------------|-------------------------------|-----------------------|----------------------------|----------------------|--------------------|----------------------------|-------------------------------|-------------|
| | 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 | - | - | - | 3,038,268 | 12,856,374 | 55,568,167 | - | 71,462,809 |

| As at December 31, 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 | 798,622 | 572,234 | - | 2,893,172 | 7,657,023 | 31,467,705 | - | 43,388,756 |

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2025 (Unaudited)

11. Financial instruments and risk management (continued)

Interest Rate Risk (continued)

At June 30, 2025, 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 \$7.5 million (December 31, 2024 - \$7.2 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 \$7.5 million (December 31, 2024 - \$7.2 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, 2025 | |
|-----------------|-----------------------------|--|
| | As a % of Net Assets | |
| AAA/Aaa | 15.75% | |
| AA/Aa | 6.72% | |
| A/A | 7.70% | |
| BBB/Baa | 34.45% | |
| BB/Ba | 26.92% | |
| B/B | 9.60% | |
| CC/Ca/CC | 0.00% | |
| Total | 101.14% | |

Portfolio by rating category

| Rating | December 31, 2024 |
|---------|----------------------|
| | As a % of Net Assets |
| AAA/Aaa | 13.25% |
| AA/Aa | 0.00% |
| A/A | 7.44% |
| BBB/Baa | 23.33% |
| BB/Ba | 38.84% |
| B/B | 15.05% |
| CCC/Caa | 0.60% |
| Total | 98.51% |

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2025 (Unaudited)

11. Financial instruments and risk management (continued)

Credit Risk (continued)

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, 2025, the Fund held \$706,699 (December 31, 2024 – \$756,521) in assets and liabilities denominated in currencies other than the Canadian dollar. As at June 30, 2025, 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 \$35,335 (December 31, 2024 - \$37,813).

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, 2025 and December 31, 2024.

June 30, 2025

| Financial Liabilities | On Demand | < 3 Months | Total |
|--------------------------------------------------------|----------------------|---------------------|----------------------|
| Redemptions payable | \$ - | \$ - | \$ - |
| Accrued expenses | - | 84,801 | 84,801 |
| Distributions payable | - | 160 | 160 |
| Due to brokers | - | 1,956,126 | 1,956,126 |
| Net Assets attributable to holders of redeemable units | 70,654,279 | - | 70,654,279 |
| Total Liabilities | \$ 70,654,279 | \$ 2,041,087 | \$ 72,695,366 |

December 31, 2024

| Financial Liabilities | On Demand | < 3 Months | Total |
|--------------------------------------------------------|----------------------|------------------|----------------------|
| Redemptions payable | \$ - | \$ - | \$ - |
| Accrued expenses | - | 66,001 | 66,001 |
| Net Assets attributable to holders of redeemable units | 44,046,118 | - | 44,046,118 |
| Total Liabilities | \$ 44,046,118 | \$ 66,001 | \$ 44,112,119 |

Ridgewood Tactical Yield Fund

Notes to the Financial Statements

June 30, 2025 (Unaudited)

11. Financial instruments and risk management (continued)

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, 2025 | December 31, 2024 |
|-----------------------------|------------------|----------------------|
| Canadian Short Term Investr | 0.00% | 3.11% |
| Federal Bonds | 14.24% | 10.14% |
| Government Bonds | 0.14% | 0.00% |
| Provincial Bonds | 6.43% | 0.00% |
| Corporate Bonds | 74.31% | 83.21% |
| Mortgage Backed Securities | 4.64% | 2.05% |
| Municipal Bonds | 1.38% | 0.00% |
| Total | 101.14% | 98.51% |

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, 2025 and December 31, 2024.

| Financial assets at fair value as of June 30, 2025 | | | | |
|-------------------------------------------------------|---------|------------|---------|------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | \$ | \$ | \$ | \$ |
| Cash | 320,330 | - | - | 320,330 |
| Bonds | - | 68,183,247 | - | 68,183,247 |
| Mortgage Backed Securities (MBS) | - | 3,279,562 | - | 3,279,562 |
| | 320,330 | 71,462,809 | - | 71,783,139 |

| Financial assets at fair value as of December 31, 2024 | | | | |
|-----------------------------------------------------------|---------|------------|---------|------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | \$ | \$ | \$ | \$ |
| Cash | 23,739 | - | - | 23,739 |
| Canadian Short Term Investments | - | 1,370,856 | - | 1,370,856 |
| Bonds | - | 41,114,000 | - | 41,114,000 |
| Mortgage Backed Securities (MBS) | - | 903,900 | - | 903,900 |
| | 23,739 | 43,388,756 | - | 43,412,495 |

During the six months period ended June 30, 2025, 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 six months period ended June 30, 2025, there were no significant transfers made from Levels 2 to 3 as a result of changes in the availability of quoted market prices or observable market inputs.

Mutual Funds
Managed by Ridgewood Capital Asset Management Inc.

Ridgewood Tactical Yield Fund

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