



Ridgewood Canadian Bond Fund

Interim Report of Fund Performance
For the six months ended June 30, 2012

Ridgewood Canadian Bond Fund

Management Report on Fund Performance

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This interim management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 416-842-0887 or 1-888-789-8957 toll free, or by writing to us at Investor Relations, Ridgewood Capital Asset Management Inc., 55 University Avenue, Suite 1020, Toronto, Ontario, M5J 2H7, or by visiting our website at www.ridgewoodcapital.ca or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Results of Operations

For the six months ended June 30, 2012, the net asset value of the Fund for pricing purposes was \$11.08 per unit compared to \$10.75 per unit at December 31, 2011.

For more detailed information on the investment returns, please see the Annual Total Return bar graph.

For the six months ended June 30, 2012, the fund had a positive return of 5.41% net of fees of 1.10% while the DEX Universe Bond Index had a return of 2.03%. The bond market has been a safe and profitable sector of the capital markets with virtually all credit markets providing attractive opportunities. The strategy of the Fund has been to overweight corporate bonds relative to its benchmark as yields represent value relative to Government bonds. Term to maturity was also longer than average, which enabled the Fund to produce positive results.

Recent Developments

The Bank of Canada has been on hold in regard to interest rates this year and has recently stated that it is likely to remain on hold given the uncertain global economic environment. However they are the lone central bank that has indicated that at some point the "excessive monetary stimulus" will have to be withdrawn. The overriding concerns at this point are the European debt crisis which has been spreading to Spain and Italy, as well as the upcoming fiscal cliff in the U.S. The U.S. economy has been gradually picking up momentum but not enough to have a meaningful effect on employment growth. The Canadian dollar has been very strong given the attractiveness of our capital markets and this has helped keep inflation in check. A strong dollar also has the effect of a potential drag on future growth.

After modest growth in the first half of 2012, growth appears constrained by a slowing China and a recessionary Europe. Canada will not be immune to this and we therefore prefer bonds with longer maturities given the steepness of the yield curve and the fact that overnight interest rates will not rise for the foreseeable future. Corporate bonds represent excellent value and will continue to be one of the top performing sectors.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. This information for the years ended December 31 is derived from the Fund's audited annual financial statements.

Information for the period ended June 30, 2012 is derived from the Fund's unaudited semi-annual financial statements. For June 30, 2012, the Net Assets included in the Net Assets per Unit table is from the Fund's unaudited financial statements and calculated using bid prices while the Net Asset Value included in the Ratios/Supplemental Data table is for Fund pricing purpose and calculated using closing prices. All other calculations for the purposes of this MRFP are made using Net Asset Value.

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	Six months ended		Years ended December 31		
	2012	2011	2010	2009	2008
THE FUND'S NET ASSETS PER UNIT					
Net Assets, Beginning of Period ⁽¹⁾	\$ 10.75	\$ 11.26	\$ 11.14	\$ 10.38	\$ 10.17
INCREASE (DECREASE) FROM OPERATIONS					
Total revenue	0.24	0.58	0.66	0.58	0.48
Total expenses	(0.06)	(0.13)	(0.14)	(0.13)	(0.11)
Realized gain (loss) for the period	0.07	(0.65)	0.28	0.72	0.03
Unrealized gain (loss) for the period	0.26	(0.09)	0.07	0.18	0.09
Total Increase (Decrease) from Operations⁽²⁾	0.51	(0.29)	0.87	1.35	0.49
DISTRIBUTIONS TO UNITHOLDERS					
From income	(0.19)	(0.45)	(0.51)	(0.44)	(0.33)
From capital gains	-	-	(0.31)	(0.22)	-
Total distributions⁽³⁾	(0.19)	(0.45)	(0.82)	(0.66)	(0.33)
Net Assets, End of Period ⁽¹⁾	\$ 11.08	\$ 10.75	\$ 11.26	\$ 11.14	\$ 10.38

(1) This information is derived from the Fund's audited annual and unaudited semi-annual financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. Net Assets per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities on that date and including the valuation of securities at bid prices divided by the number of units then outstanding.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant date. The increase (decrease) from operations is calculated based on the weighted average number of units outstanding during the period.

(3) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution and were paid in cash.

RATIOS/SUPPLEMENTAL DATA

Net Asset Value, end of period (\$millions)	\$142.44	\$152.24	\$136.68	\$87.88	\$55.96
Number of units outstanding ⁽¹⁾	12,809,227	14,141,272	12,101,350	7,867,379	5,384,157
Management expense ratio ⁽²⁾	1.10%	1.11%	1.12%	1.07%	1.04%
Management expense ratio before Waivers and absorptions	1.10%	1.11%	1.24%	1.04%	1.06%
Portfolio turnover rate ⁽³⁾	152.53%	470.00%	171.54%	272.92%	212.66%
Net Asset Value per unit, end of period⁽⁴⁾	\$ 11.12	\$ 10.77	\$ 11.29	\$ 11.17	\$ 10.39

(1) This information is provided as at end of period as noted.

(2) Management expense ratio is the ratio of all fees and expenses, including goods and service taxes but excluding transaction fees charged to the Fund to the average net assets.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

(4) Net Asset Value per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities and including the valuation of securities at closing prices divided by the number of units then outstanding.

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Management Fees

Ridgewood Capital Asset Management Inc. (the "Manager") is entitled to an annual management fee payable out of the assets of the Fund. The maximum management fee is equal to 1.00% (excluding HST) of the weighted average net asset value of the Fund less ordinary expenses of the Fund. The management fee is calculated on a monthly basis as of the last valuation date of each month. Services received under the Master 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.

Past Performance

The past performance of the Fund is set out below and indicates year-by-year returns, overall past performance and annual compound returns.

With respect to the charts displayed below, please note the following:

- the returns or performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund;
- the return or performance information does not take into account optional charges or income taxes payable that would have reduced returns or performance; and
- how the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

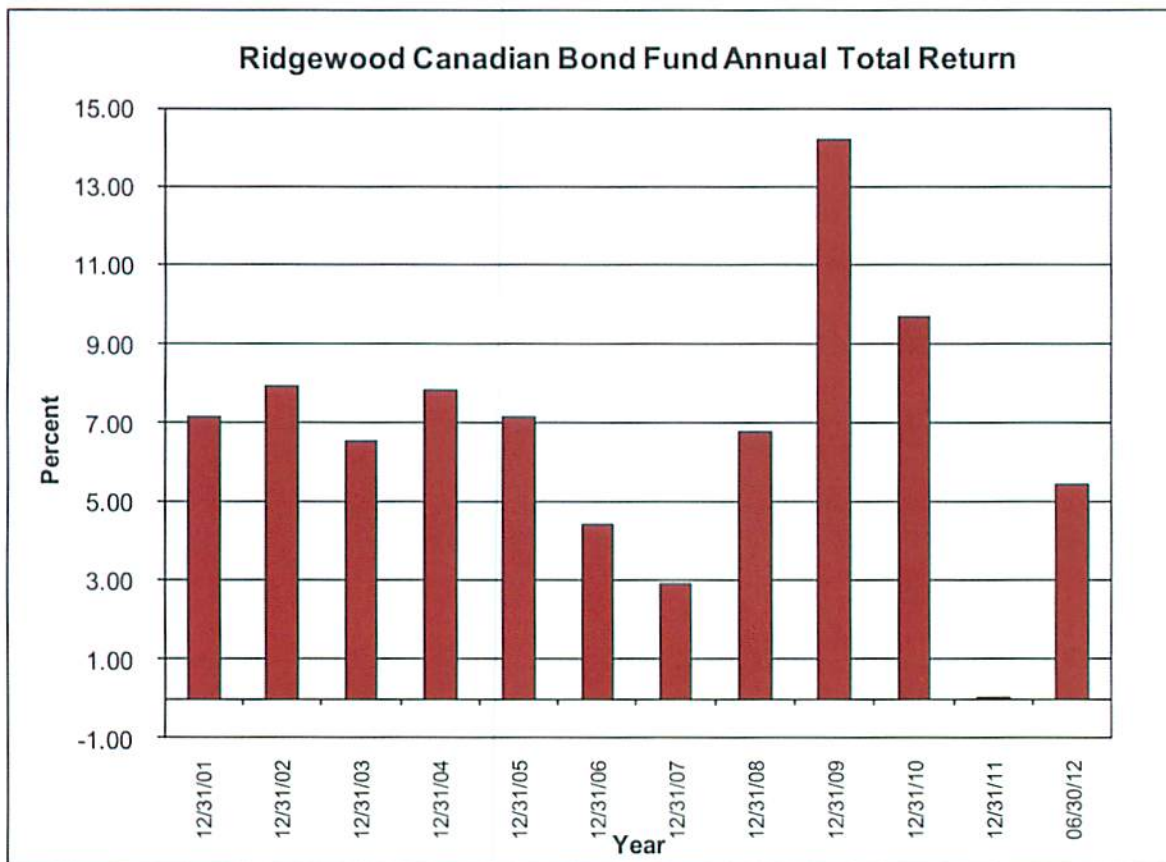
The bar chart illustrates how the Fund's annual total return in each of the past ten years including the six month period ended June 30, 2012 has varied from period to period. The chart also shows, in percentage terms, how much an investment made on January 1 in each year would have increased or decreased by the end of that fiscal year, or June 30, 2012 for the six months then ended.

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Annual Total Return



Summary of Investment Portfolio

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update will be available on our website at www.ridgewoodcapital.ca.

Asset Mix

June 30, 2012

	% of Net Asset Value		% of Net Asset Value
Corporate Bonds	48.0	Federal Bonds	31.5
Provincial Bonds	13.2	Cash & Short-Term Investments	7.3

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Top 25 Holdings

	% of Total Net Asset Value
1. Canada 2.75%, 22/06/01	14.5%
2. Canada 1.50%, 17/03/01	9.2%
3. Canada Treasury Bill 12/11/22	7.1%
4. Citigroup Inc. 5.160%, 22/05/24	5.7%
5. Merrill Lynch Financial Assets C22 A3, 17/04/12	5.3%
6. Citigroup Inc. 4.65%, 2017/10/11	5.0%
7. Merrill Lynch Financial Assets C19 D,16/06/12	5.0%
8. Merrill Lynch & Co 5.29%, 17/05/30	4.3%
9. Goldman Sachs 5.20%, 17/04/19	4.2%
10. Canada 4.00%, 14/06/01	4.2%
11. Nova Scotia 4.10%, 21/06/01	3.9%
12. Canada Housing Trust 2.65%, 22/03/15	3.6%
13. Merrill Lynch Financial Assets C22 A3, 17/04/12	3.5%
14. Merrill Lynch Financial Assets C21 A1, 16/06/12	3.5%
15. Nova Scotia 4.40%, 42/06/01	3.3%
16. Merrill Lynch Financial Assets C23 D, 17/08/12	3.1%
17. Manitoba 3.85%, 21/12/01	3.1%
18. Saskatchewan 3.40%, 42/02/03	2.9%
19. Merrill Lynch Financial Assets C21 D, 17/01/12	2.6%
20. Merrill Lynch Financial Assets CA23 AJ, 17/08/17	1.8%
21. Merrill Lynch Financial Assets 5.557%, 17/08/12	1.3%
22. Lloyds TSB Bank 10.125%, 21/12/16	1.1%
23. Loblaw Companies Limited 5.86%, 43/06/18	.8%
24. Glacier Credit Card 4.765%, 14/05/20	.7%
25. Cash	.2%
Total	99.9%

Independent Review Committee

National Instrument 81-107- Independent Review Committee for Investment Funds ("NI 81-107") requires all publicly offered investment funds to establish an independent review committee ("IRC") to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions. The current members of the IRC are G. Tomlinson Gunn, Allen B. Clarke, and Marshall E. Nicholishen. Mr. Gunn serves as the Chair of the IRC.

We confirm the Fund did not rely on any approvals or recommendation of the IRC concerning related party transactions during the year.

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Forward-Looking Statements

This report may contain forward-looking statements about the Fund. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund actions, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Fund currently anticipates that subsequent events and developments may cause the Fund’s views to change, the Fund does not undertake to update any forward-looking statements.

Ridgewood Capital Asset Management Inc.
55 University Avenue, Suite 1020
Toronto, Ontario M5J 2H7

Tel: 416-842-0227 1-888-789-8957
Fax: 416-479-2750

e-mail: contact@ridgewoodcapital.ca
www.ridgewoodcapital.ca