Ridgewood Canadian Investment Grade Bond Fund

Interim Financial Report (Unaudited)
For the six months ended June 30, 2026

Message to Unitholders

The first half of 2026 has continued to be quite volatile. US military action in Venezuela at the start of the year followed up with the US-Iran conflict, yet to be resolved, were significant drivers of market volatility. US economic metrics are generally strong as a resilient US consumer has propelled retail sales growth even in the face of a mid-year surge in inflation.   The Fed has held funds rate at 3.75% throughout 2026 choosing growth stability over pre-emptive tightening to combat the sharp rise in inflation. Canadian economic activity during the first half of 2026 has continued to be subdued due to a stagnant housing market and uncertainty around trade negotiations between Canada and US that are expected to be difficult and prolonged. Given the uncertainty, the Bank of Canada's policy rate has remained unchanged throughout 2026, holding at 2.25%. 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 0.23% despite heightened geopolitical tensions and a near-zero GDP print reflecting a stagnating economy. The Bank of Canada held overnight rates at 2.25% during the quarter. The top 2 performing sectors were Securitization and Canada bonds with returns of 0.47% and 0.37%. Within Corporates, Corporate BBB had the best performance at 0.22%. The Canadian stock market, S&P/TSX, returned 3.42% for the quarter.

In the second quarter, we experienced continued volatility. With no further rate cuts from the Bank of Canada, we saw positive returns for both bonds, and stocks. Investor concern for the economy and markets in the first quarter gave way to a strong recovery in sentiment during the second quarter. The FTSE Canada Universe Bond Index returned -2.01%. Corporate debt outperformed the benchmark with a return of 2.08%. The S&P/TSX returned 6.34% for the quarter.

The FTSE Canada Universe Bond Index returned 2.24% year to date while the Corporate Bond Index returned 2.23%. Infrastructure bonds were the strongest sector, returning to 2.91%. It was also the case that Corporate BBB and Corporate A bonds returned 2.35% and 2.17%, 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 as investors search for higher yielding bonds. We are comfortable remaining fully invested and overweighted in BBB corporate bonds.

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.

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 14, 2026

Ridgewood Canadian Investment Grade Bond Fund
STATEMENTS OF FINANCIAL POSITION
As at June 30, 2026 (Unaudited) and December 31, 2025

	30-Jun-26	31-Dec-25
	$	$
Assets		
Financial assets at fair value through profit or loss		
(Cost: 31-Dec-26 - $249,183,204; 31-Dec-25 - $251,116,569)	**254,470,803**	256,464,368
Short-term investments at fair value		
(Cost: 31-Dec-26 - $0; 31-Dec-25 - $0)	**-**	-
Cash	**360,206**	417,782
Accrued interest receivable	**2,197,706**	2,058,329
Prepaid fees	**1,138**	-
Subscriptions receivable	**13,500**	5,500
Due from Brokers	**-**	-
Total Assets	**257,043,353**	258,945,979
Liabilities		
Redemptions payable	**23,900**	1,500
Accrued expenses	**415,362**	403,374
Distributions Payable	**-**	2,272,578
Loan payable (Note 10)	**86,702,906**	86,668,077
Bank overdraft	**-**	-
Due to Brokers	**-**	-
Total Liabilities (excluding net assets attributable to holders of redeemable units)	**87,142,168**	89,345,529
Net Assets attributable to holders of redeemable units	**169,901,185**	169,600,450
Net assets attributable to holders of redeemable units per unit per class		
Class A	**169,901,185**	169,600,450
	169,901,185	169,600,450
Number of redeemable units outstanding (Note 5)		
Class A	**11,626,712**	11,885,200
	11,626,712	11,885,200
Net assets attributable to holders of redeemable units per unit		
Class A	**14.6130**	14.2699

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, 2026 and 2025 (Unaudited)

	2026	2025
	$	$
Income		
Interest income for distribution purposes	**6,556,277**	8,033,055
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	**2,999,962**	1,294,905
Net gain (loss) on foreign exchange	**(143)**	1,962
Net realized gain (loss) on foreign exchange	**-**	-
Net change in unrealized (depreciation) appreciation of investments	**(60,200)**	(1,062,070)
Total income	**9,495,896**	8,267,852
Expenses		
Management fees (Note 6)	**421,096**	525,710
Administrative and other expenses	**107,265**	216,311
HST expense	**55,815**	73,410
Custodian fees	**-**	-
Legal fees	**14,188**	13,888
Audit fees	**-**	40,524
Independent Review Committee fees (Note 6)	**8,933**	4,467
Insurance premium fees	**-**	-
Transaction costs	**-**	-
Total operating expenses	**607,297**	874,310
Operating profit	**8,888,599**	7,393,542
Finance cost		
Interest and bank fees (Note 10)	**1,099,152**	1,670,750
Increase in net assets attributable to holders of redeemable units	**7,789,447**	5,722,792
Increase in net assets attributable to holders of redeemable units per unit per class		
Class A	**7,789,447**	5,722,792
	7,789,447	5,722,792
Daily average number of redeemable units outstanding		
Class A	**11,751,089**	15,066,086
	11,751,089	15,066,086
Increase in net assets attributable to holders of redeemable units per unit per unit		
Class A	**0.6629**	0.3798

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

Ridgewood Canadian Investment Grade Bond Fund
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
For the six months periods ended June 30, 2026 and 2025 (Unaudited)

	2026	2025
	$	$
Net assets attributable to holders of redeemable units at beginning of period		
Class A	**169,600,450**	217,119,857
	169,600,450	217,119,857
Distributions to redeemable unitholders		
From net investment income		
Class A	**(3,729,404)**	(4,730,472)
	(3,729,404)	(4,730,472)
Total distributions to redeemable unitholders		
Class A	**(3,729,404)**	(4,730,472)
	(3,729,404)	(4,730,472)
Redeemable unit transactions (Note 5)		
Proceeds from units issued		
Class A	**15,774,185**	27,652,608
	15,774,185	27,652,608
Amount paid for units redeemed		
Class A	**(19,533,493)**	(48,170,076)
	(19,533,493)	(48,170,076)
Total redeemable unit transactions		
Class A	**(3,759,308)**	(20,517,467)
	(3,759,308)	(20,517,467)
Increase in net assets attributable to holders of redeemable units		
Class A	**7,789,447**	5,722,792
	7,789,447	5,722,792
Net assets attributable to holders of redeemable units at end of period		
Class A	**169,901,185**	197,594,710
	169,901,185	197,594,710

STATEMENTS OF CASH FLOWS
For the six months periods ended June 30, 2026 and 2025 (Unaudited)

	2026	2025
	$	$
Cash provided by (used in) operating activities		
Net increase (decrease) in net assets attributable to holders of redeemable units	**7,789,447**	5,722,792
Adjustments for		
Net realized (gain) on investments excluding foreign currency	**(2,999,962)**	(1,294,905)
Net change in unrealized decrease of investments	**60,200**	1,062,070
Net loss/(gain) on foreign exchange on cash	**143**	(1,962)
Purchase of investments	**(139,588,009)**	(219,290,144)
Proceeds from sale of investments	**144,521,336**	244,762,359
(Increase) decrease in accrued interest receivable	**(139,377)**	329,267
(Increase) in prepaid fees	**(1,138)**	-
Increase in accrued expenses	**11,988**	155,073
(Decrease) in investment proceeds receivable	**-**	(848,498)
Net cash provided by operating activities	**9,654,628**	30,596,052
Cash provided by (used in) financing activities		
Proceeds from units issued	**15,766,185**	27,957,708
Amount paid for units redeemed	**(19,511,093)**	(48,204,177)
Distributions paid to holders of redeemable units, net of reinvested distributions	**(6,001,982)**	(5,548,885)
Change in loan payable	**34,829**	(4,593,310)
Net cash (used in) financing activities	**(9,712,061)**	(30,388,664)
Foreign exchange gain/(loss) on cash	**(143)**	1,962
Increase in cash	**(57,433)**	207,388
Cash, beginning of period	**417,782**	156,412
Cash, end of period	**360,206**	365,762
Interest received	**6,416,900**	8,362,322
Interest paid	**1,075,449**	1,598,868

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

Ridgewood Canadian Investment Grade Bond Fund
Schedule of Investments (unaudited)
As at June 30, 2026

Par Value	Security	Average Cost	Fair Value	% of Portfolio
		$	$	
	Canadian Bonds			
	Corporate Bonds			
2,900,000	Bell Telephone Co of Canada or Bell Canada, 5.875%, May 12, 2056	2,899,130	2,899,742	
3,250,000	Brookfield Renewable Partners ULC, 5.373%, September 10, 2055	3,250,000	3,280,350	
2,000,000	Brookfield Renewable Partners ULC, 5.450%, March 12, 2055	2,001,000	2,016,316	
4,000,000	Canadian Imperial Bank of Commerce, 5.898%, January 28, 2086	4,014,800	4,053,221	
5,000,000	Canadian Imperial Bank of Commerce, 6.369%, April 28, 2085	5,046,150	5,205,478	
5,000,000	Canadian Utilities Ltd, 5.450%, December 22, 2055	5,000,000	5,061,086	
4,000,000	Empire Life Insurance Co/The, 3.625%, April 17, 2081	4,010,000	4,061,337	
5,000,000	Enbridge Inc, 5.150%, December 17, 2055	5,000,000	5,026,502	
3,000,000	Enbridge Inc, 8.747%, January 15, 2084	3,545,040	3,631,461	
3,775,000	Fairfax Financial Holdings Ltd, 5.100%, August 16, 2055	3,755,559	3,667,938	
4,500,000	First National Financial Corp, 5.443%, October 25, 2032	4,552,920	4,634,605	
7,500,000	Fortis Inc/Canada, 5.100%, December 4, 2055	7,500,000	7,547,357	
5,677,000	Great-West Lifeco Inc, 3.600%, December 31, 2081	5,483,893	5,584,732	
7,500,000	iA Financial Corp Inc, 6.921%, September 30, 2084	7,510,714	7,883,101	
7,750,000	Intact Financial Corp, 5.642%, March 31, 2086	7,770,250	7,724,179	
2,000,000	Inter Pipeline Ltd/AB, 4.637%, May 30, 2044	1,708,530	1,830,434	
2,500,000	Keyera Corp, 4.569%, October 15, 2055	2,505,203	2,496,207	
3,750,000	Manulife Financial Corp, 3.375%, June 19, 2081	3,387,036	3,758,591	
3,115,000	Manulife Financial Corp, 4.100%, March 19, 2082	3,045,653	3,085,148	
2,000,000	MCAP Commercial LP, 4.299%, March 4, 2031	2,000,000	1,992,008	
2,000,000	Pembina Pipeline Corp, 4.800%, January 25, 2081	1,962,085	1,999,585	
4,000,000	Royal Bank of Canada, 3.650%, November 24, 2081	3,751,067	3,973,081	
4,500,000	Royal Bank of Canada, 6.500%, May 24, 2086	6,150,555	6,353,000	
4,500,000	Royal Bank of Canada, 7.500%, May 2, 2084	6,178,950	6,664,341	
8,500,000	Sagen MI Canada Inc, 4.950%, March 24, 2081	8,031,382	8,053,406	
5,975,000	Sun Life Financial Inc, 5.614%, June 30, 2081	5,685,936	5,922,719	
5,500,000	Teranet Holdings LP, 5.010%, March 7, 2035	5,508,085	5,624,579	
3,200,000	Teranet Holdings LP, 5.754%, December 17, 2040	3,106,996	3,296,361	
2,000,000	Toronto-Dominion Bank/The, 3.600%, October 31, 2081	1,895,000	1,985,919	
5,250,000	Toronto-Dominion Bank/The, 5.909%, January 31, 2085	5,229,041	5,337,845	
5,000,000	Toronto-Dominion Bank/The, 5.918%, July 31, 2086	5,006,000	5,034,438	
7,100,000	TransAlta Corp, 6.900%, November 15, 2030	7,528,576	7,685,314	
10,409,000	TransAlta Corp, 7.300%, October 22, 2029	11,323,764	11,312,888	
1,000,000	TransCanada PipeLines Ltd, 4.609%, June 24, 2036	1,000,000	1,009,824	
2,000,000	TransCanada PipeLines Ltd, 5.357%, June 24, 2056	2,000,000	2,033,319	
	Total Corporate Bonds	158,343,315	161,726,412	95.20%
	Federal Bonds			
11,000,000	Canadian Government Bond, 3.500%, December 1, 2057	10,401,945	10,447,573	
	Total Federal Bonds	**10,401,945**	**10,447,573**	6.15%
	Total Canadian Bonds	**168,745,260**	**172,173,985**	101.35%
	Mortgage Backed Securities			
3,750,000	eStruxture Issuer LP, 5.894%, July 20, 2055	3,750,000	3,750,413	
1,612,430	Institutional Mortgage Securities Canada Inc, 3.600%, October 12, 2026	1,504,620	1,608,561	
6,460,000	Institutional Mortgage Securities Canada Inc, 3.778%, October 12, 2026	5,681,760	6,428,346	
1,460,000	Real Estate Asset Liquidity Trust, 3.550%, February 12, 2055	1,458,882	1,397,950	
2,855,790	Real Estate Asset Liquidity Trust, 3.845%, September 12, 2051	1,947,390	2,854,362	
3,769,000	Real Estate Asset Liquidity Trust, 3.845%, September 12, 2051	3,194,928	3,768,246	
4,731,000	Real Estate Asset Liquidity Trust, 4.020%, June 12, 2054	4,642,173	4,302,371	
716,000	Real Estate Asset Liquidity Trust, 4.394%, August 12, 2053	669,460	717,432	
1,375,000	Real Estate Asset Liquidity Trust, 4.462%, June 12, 2054	1,151,650	1,191,025	
3,412,000	Real Estate Asset Liquidity Trust, 4.950%, January 12, 2060	3,373,365	3,407,564	
5,500,000	Real Estate Asset Liquidity Trust, 4.951%, January 12, 2060	5,298,565	5,414,750	
4,925,000	Real Estate Asset Liquidity Trust, 6.264%, December 12, 2029	4,845,498	4,902,838	
9,950,000	Real Estate Asset Liquidity Trust, 7.250%, December 12, 2029	9,949,240	9,995,770	
	Total Canadian Mortgage Backed Securities	**47,467,531**	**49,739,628**	29.28%
	Total Canadian Bonds, Government Bonds and MBS	**216,212,791**	**221,913,613**	130.63%
	U.S. Bonds			
	Corporate Bonds			
2,000,000	Alphabet Inc, 5.000%, May 15, 2056	2,059,980	2,049,785	
3,000,000	Amazon.com Inc, 5.000%, June 12, 2056	3,042,540	3,031,823	
5,000,000	AT&T Inc, 5.250%, March 12, 2056	4,970,100	4,963,017	
6,350,000	Citigroup Inc, 5.365%, March 6, 2036	7,673,607	6,710,866	
	Total U.S. Corporate Bonds	**17,746,227**	**16,755,491**	9.86%
	U.S. Mortgage Backed Securities			
3,000,000	Retained Vantage Data Centers Issuer LLC, 5.250%, September 15, 2048	2,724,186	3,016,890	
	Total U.S. Mortgage Backed Securities	**2,724,186**	**3,016,890**	1.77%
	Total U.S. Bonds, Government Bonds and MBS	**20,470,413**	**19,772,381**	11.63%
	Non-North American Bonds			
4,000,000	BPCE SA, 4.680%, April 15, 2036	4,000,000	4,046,760	
2,000,000	Electricite de France SA, 5.231%, February 6, 2055	2,000,000	1,959,208	
6,500,000	Sagicor Financial Co Ltd, 6.359%, June 20, 2029	6,500,000	6,778,841	
	Total Non-North American Bonds	**12,500,000**	**12,784,809**	7.52%
	Transaction costs	**-**		
	Total Investments	**249,183,204**	**254,470,803**	149.78%
	Cash and other assets, net of liabilities		**(84,569,618)**	-49.78%
	Net assets		**169,901,185**	100.00%

1. Establishment of the Fund

Ridgewood Canadian Investment Bond Fund (the “Fund”) is an alternative mutual fund (2023 – closed-end investment fund) established under the laws of the Province of Ontario pursuant to the Declaration of Trust dated November 27, 2009, as amended and restated. Ridgewood Capital Asset Management Inc. (“Ridgewood” or the “Manager”) is the Manager and Trustee of the Fund. The Fund commenced operations on December 18, 2009. On September 24, 2019 unitholders approved the indefinite extension of the term of the Fund from December 31, 2019 onward. On March 20, 2024 unitholders approved the conversion of the Fund from a closed-end fund to an alternative mutual fund; as an alternative mutual fund, the daily Net Asset Value (“NAV”) is used for pricing in the future and continues to be allowed to use leverage in the fund. 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, 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 14, 2026.

2. Investment objective of the Fund

The investment objective of the Fund is to maximize total returns for unitholders while preserving capital in the long term. The portfolio of securities of the Fund (the “Portfolio”) will be invested primarily in Investment grade bonds issued by Canadian issuers available to domiciled investors. Investment grade bonds means debt securities and term loans that are generally rated at or above BBB- from S&P, or Baa3 or higher from Moody’s Investor Services Inc., or a similar rating from a qualified rating agency. Currently, the Fund may invest up to 25% of the Portfolio in investment grade bonds issued by non-Canadian issuers. As at June 30 of each year (each a “determination date”), at least 90% of the Portfolio will be invested in securities denominated in Canadian dollars.

3. Basis of Presentation

These financial statements have been prepared in compliance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”). These semi-annual financial statements as at June 30, 2026 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.

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.

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 and Mortgage Backed Securities 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.

4. Summary of material accounting policy information (continued)

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:

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 13 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 year 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.

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.

Recently issued accounting pronouncements

Presentation and Disclosure in Financial Statements

IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18"), replaces IAS 1, Presentation of Financial Statements ("IAS 1"), carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements, including specified categories and defined subtotals in the statement of profit or loss. IFRS 18 is required to be applied retrospectively for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Fund is currently assessing the impact of adoption of this standard.

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.

Following are the redeemable unit transactions during the period:

5. Redeemable Units (continued)

	2026	2025
	Class A	Class A
Units outstanding, beginning of period	**11,885,200**	15,490,171
Units issued	**1,089,274**	2,445,658
Units redeemed	**(1,347,762)**	(6,050,629)
Units outstanding, end of period	**11,626,712**	11,885,200

6. Related party transactions

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

Management fees

Under the terms the management agreement dated November 27, 2009 as amended and restated on December 17, 2009, 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. 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, 2026, amounted to $421,096 (June 30, 2025 - $525,710).

Independent Review Committee fees

The total remuneration paid to members of the Independent Review Committee (“IRC”) during the period ended June 30, 2026, was $8,933 (2025 - $4,467).

7. Management fees and expenses

Ridgewood is responsible for providing, or causing to be provided, management and administrative services and facilities to the Fund, and may delegate certain of its powers to third parties.

The Fund also pays for all expenses incurred in connection with its operations and administration, including, without limitation, mailing and printing expenses for yearly reports to unitholders and other unitholder communications including marketing and advertising expenses; fees payable to the Custodian, the registrar and transfer agent, the valuation Agent, prime broker and/or other parties engaged by the Fund for performing certain financial, record keeping, reporting and general administrative services are charged to the Fund; any reasonable out-of-pocket expenses incurred by the Manager or its agents in connection with their ongoing obligations to the Fund; any additional fees payable to the Manager for performance of extraordinary services on behalf of the Fund; fees payable to the auditors and legal advisors; regulatory filing, stock exchange and licensing fees; any expenditures incurred upon the termination of the Fund; and fees payable to the members of the independent review committee of the Fund. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager or any other party is entitled to indemnity by the Fund. The Fund also is responsible for any taxes payable by the Fund or to which the Fund may be subject, interest expenses on borrowing, its costs of portfolio transactions and any extraordinary expenses which it may incur from time to time.

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.

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. Loan payable interest and bank fees

The Fund has a margin account held at Scotiabank which requires collateral against loans (see Schedule of Investments). The Fund can borrow an amount up to 35% of the total assets of the Fund.

Loan Payable

As at June 30, 2026, the balance of the account was $86,702,906 (December 31, 2025 - $86,668,077). During the year ended, the maximum amount borrowed was $91,461,101 (December 31, 2025 - $121,783,647) and the minimum amount borrowed was $65,822,731 (December 31, 2025 - $47,631,153).

Interest and Bank Fees

Total interest and bank fees on the account were $1,099,152 for the year (December 31, 2025 - $2,863,677). The account is charged interest based on CAOREPO Index plus 45 bps. If interest rates had increased/decreased by 100 basis points, interest expense would have changed by approximately $403,034 (December 31, 2025 - $909,381).

11. 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, 2025, capital losses of $12,261,342 (2024 - $30,032,620) 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.

12. Financial instruments and risk management

The Fund's financial instruments consist of bonds, 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, 2026

	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**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Loan payable	**-**	**86,702,906**	**-**	**-**	**-**	**-**	**-**	**86,702,906**
Interest Rate Exposure	**-**	**-**	**8,036,907**	**6,778,841**	**35,888,819**	**203,766,236**	**-**	**254,470,803**

As at December 31, 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
	$	$	$	$	$	$	$	$
Loan payable	-	86,668,077	-	-	-	-	-	86,668,077
Interest Rate Exposure	-	-	11,262,767	1,564,785	40,814,039	202,822,777	-	256,464,368

At June 30, 2026, 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 year would amount to approximately $5.1 million (December 31, 2025 - $5.0 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 $5.1 million (December 31, 2025 - $5.0 million).

12. Financial instruments and risk management (continued)

Credit Risk

Financial instruments that potentially subject the Fund to a concentration of a 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 BBB/Baa 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, 2026** **As a % of net assets attributable to holders of redeemable units**
AAA/Aaa	**9.98%**
AA/Aa	**16.77%**
A/A	**16.94%**
BBB/Baa	**106.09%**
Total	**149.78%**

Portfolio by rating category Rating	December 31, 2025 As a % of net assets attributable to holders of redeemable units
AAA/Aaa	18.82%
AA/Aa	16.82%
A/A	16.46%
BBB/Baa	99.12%
Total	151.22%

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. The Fund holds securities that are denominated in currencies other than the Canadian dollar. It is therefore exposed to currency risk.

As at June 30, 2026, the Fund held $13,017,341 (December 31, 2025 - $6,551,811) of its assets and liabilities denominated in currencies other than Canadian dollar. As at June 30, 2026, 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 $650,867 (December 31, 2025 - $327,591).

12. Financial instruments and risk management (continued)

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 positions. The tables below analyze the Fund's financial liabilities as at June 30, 2026 and December 31, 2025.

June 30, 2026

Financial Liabilities	On Demand	< 3 Months	Total
Accrued expenses	$ -	$ 415,362	$ 415,362
Redemptions payble	-	23,900	23,900
Distribution payable	-	-	-
Loan payable	-	86,702,906	86,702,906
Net Assets attributable to holders of redeemable units	169,901,185	-	169,901,185
Total Liabilities	$ 169,901,185	$ 87,142,168	$ 257,043,353

December 31, 2025

Financial Liabilities	On Demand	< 3 Months	Total
Accrued expenses	$ -	$ 403,374	$ 403,374
Redemptions payble	-	1,500	1,500
Distribution payable	-	2,272,578	2,272,578
Loan payable	-	86,668,077	86,668,077
Net Assets attributable to holders of redeemable units	169,600,450	-	169,600,450
Total Liabilities	$ 169,600,450	$ 89,345,529	$ 258,945,979

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, 2026	December 31, 2025
Canadian Corporate Bonds	95.20%	87.85%
Canadian Federal Bonds	6.15%	13.92%
Canadian Mortgage Backed Securities	29.28%	38.31%
U.S.Corporate Bonds	9.86%	3.69%
U.S. Mortgage Backed Securities	1.77%	1.80%
Non-North American Bonds	7.52%	5.65%
Total	149.78%	151.22%

13. Financial Instruments

Fair Value Disclosure

The Fund's assets recorded at fair value have been categorized based upon the 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, 2026, and December 31, 2025.

				Financial assets at fair value as of June 30, 2026
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Cash	**360,206**	**-**	**-**	**360,206**
Bonds	**-**	**201,714,285**	**-**	**201,714,285**
Mortgage Backed Securities (MBS)	**-**	**52,756,518**	**-**	**52,756,518**
	360,206	**254,470,803**	**-**	**254,831,009**

				Financial assets at fair value as of December 31, 2025
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	417,782			417,782
Bonds		188,450,061		188,450,061
Mortgage Backed Securities (MBS)		68,014,307		68,014,307
	417,782	256,464,368	-	256,882,150

During the six months period ended June 30, 2026, there were no significant transfers made between Levels 1 and 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, 2026, 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.

During the year ended December 31, 2025, there were no significant transfers made between Levels 1 and 2 as a result of changes in the availability of quoted market prices or observable market inputs.

Mutual Funds
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Ridgewood Canadian Investment Grade Bond Fund

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