ridgewood
CAPITAL ASSET MANAGEMENT

Ridgewood Tactical Yield 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 Tactical Yield Fund
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2025 and 2024

	31-Dec-25	31-Dec-24
	$	$
Assets		
Financial assets at fair value through profit or loss		
(Cost: 31-Dec-25 - $67,270,382; 31-Dec-24 - $40,708,863)	**68,533,885**	42,017,900
Short-term investments at fair value		
(Cost: 31-Dec-25 - $229,733; 31-Dec-24 - $1,370,856)	**229,733**	1,370,856
Cash	**92,039**	23,739
Accrued interest receivable	**762,023**	647,669
Prepaid fees	**4,708**	9,955
Subscriptions receivable	**-**	42,000
Total Assets	**69,622,388**	44,112,119
Liabilities		
Accrued expenses	**69,622**	66,001
Total Liabilities (excluding net assets attributable to holders of re	**69,622**	66,001
Net Assets attributable to holders of redeemable units	**69,552,766**	44,046,118
Net assets attributable to holders of redeemable units per class		
Class A	**48,067,590**	32,412,497
Class F	**21,485,176**	11,633,622
	69,552,766	44,046,118
Number of redeemable units outstanding		
Class A	**5,280,346**	3,571,276
Class F	**2,142,592**	1,180,613
	7,422,938	4,751,889
Net assets attributable to holders of redeemable units per unit		
Class A	**9.1031**	9.0759
Class F	**10.0277**	9.8539

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

Director
John H. Simpson, CFA

Director
Paul W. Meyer, CFA

STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2025 and 2024

	2025	2024
	$	$
Income		
Interest income for distribution purposes	**3,558,729**	2,462,266
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	**395,497**	957,364
Net change in unrealized appreciation (depreciation) of investments	**(45,555)**	1,262,463
Total income	**3,908,671**	4,682,094
Expenses		
Management fees (Note 7)	**428,312**	247,250
Administrative and other expenses	**31,092**	28,741
Custodian fees	**76,601**	86,483
HST expense	**66,958**	45,756
Independent Review Committee fees	**17,567**	17,567
Audit fees	**21,728**	20,717
Legal fees	**15,136**	21,203
Total operating expenses	**657,394**	467,717
Operating profit	**3,251,277**	4,214,377
Increase in net assets attributable to holders of redeemable units	**3,251,277**	4,214,377
Increase in net assets attributable to holders of redeemable units		
Class A	**2,074,356**	2,991,009
Class F	**1,176,921**	1,223,368
	3,251,277	4,214,377
Daily average number of redeemable units outstanding		
Class A	**4,884,159**	3,325,351
Class F	**2,068,280**	1,119,346
	6,952,439	4,444,697
Increase in net assets attributable to holders of redeemable units per unit per unit		
Class A	**0.4247**	0.8995
Class F	**0.5690**	1.0929

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 years ended December 31, 2025 and 2024

	2025	2024
	$	$
Net assets attributable to holders of redeemable units at beginning of year		
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	**(1,992,281)**	(1,482,818)
Class F	**(857,908)**	(501,656)
	(2,850,189)	(1,984,474)
Total distributions to redeemable unitholders		
Class A	**(1,992,281)**	(1,482,818)
Class F	**(857,908)**	(501,656)
	(2,850,189)	(1,984,474)
Redeemable unit transactions (Note 5)		
Proceeds from units issued		
Class A	**16,788,029**	5,175,325
Class F	**12,590,500**	368,000
	29,378,529	5,543,325
Amount paid for units redeemed		
Class A	**(3,146,995)**	(7,163,314)
Class F	**(3,915,866)**	(131,500)
	(7,062,861)	(7,294,814)
Reinvestment of distributions		
Class A	**1,931,985**	1,446,193
Class F	**857,908**	501,657
	2,789,893	1,947,850
Total redeemable unit transactions		
Class A	**15,573,019**	(541,796)
Class F	**9,532,542**	738,157
	25,105,561	196,361
Increase in net assets attributable to holders of redeemable units		
Class A	**2,074,356**	2,991,009
Class F	**1,176,921**	1,223,368
	3,251,277	4,214,377
Net assets attributable to holders of redeemable units at end of year		
Class A	**48,067,590**	32,412,496
Class F	**21,485,176**	11,633,622
	69,552,766	44,046,118

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025 and 2024

	2025	2024
	$	$
Cash provided by (used in) operating activities		
Net increase in net assets attributable to holders of redeemable units	**3,251,277**	4,214,377
Adjustments for		
Interest income on short-term notes	**(13,883)**	(10,965)
Net loss (gain) on foreign exchange	**-**	(1)
Net realized (gain) on investments excluding foreign currency	**(395,497)**	(957,364)
Net change in unrealized depreciation (appreciation) of investments	**45,555**	(1,262,463)
Purchase of investments	**(134,929,346)**	(48,128,465)
Proceeds from sale of investments	**109,918,308**	47,369,997
(Increase) in accrued interest and dividends receivable	**(114,354)**	(160,308)
Decrease (Increase) in investment proceeds receivable	**-**	88,440
Decrease (increase) in prepaid fees	**5,247**	(3,651)
Increase in accrued expenses	**3,621**	22,511
Net cash (used in) provided by operating activities	**(22,229,072)**	1,172,108
Cash provided by (used in) financing activities		
Subscriptions received in advance	**42,000**	534,635
Payable for units redeemed	**-**	(57,950)
Distributions paid to holders of redeemable units, net of reinvested distributions	**(60,296)**	(36,624)
Proceeds from units issued	**29,378,529**	5,543,325
Amount paid for units redeemed	**(7,062,861)**	(7,294,814)
Net cash provided by (used in) financing activities	**22,297,372**	(1,311,428)
Increase (Decrease) in cash	**68,300**	(139,320)
Net gain on foreign exchange	**-**	1
Cash, beginning of year	**23,739**	163,058
Cash, end of year	**92,039**	23,739
Interest received	**3,444,375**	2,301,958

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

Ridgewood Tactical Yield Fund

Schedule of investments

As at June 30, 2026

Par Value		Average Cost	Fair Value	% of Portfolio
		$	$	
Investments				
Treasury Bills				
40,000	Canadian Treasury Bill, 2.228%, July 15, 2026	39,949	39,949	
Total Treasury Bills		**39,949**	**39,949**	**0.06%**
Total Short-Term Investments		**39,949**	**39,949**	**0.06%**
Federal Bonds				
5,460,000	Canadian Government Bond, 3.500%, December 1, 2057	5,178,103	5,185,796	
1,000,000	PSP Capital Inc, 4.250%, December 1, 2055	952,400	953,480	
Total Federal Bonds		**6,130,503**	**6,139,276**	**8.92%**
Provincial Bonds				
500,000	Province of Quebec Canada, 4.200%, December 1, 2057	455,691	469,692	
Total Provincial Bonds		**455,691**	**469,692**	**0.68%**
Municipal Bonds				
1,000,000	City of Toronto Canada, 4.500%, March 11, 2055	962,970	966,482	
Total Municipal Bonds		**962,970**	**966,482**	**1.40%**
Corporate Bonds				
1,000,000	Ag Growth International Inc, 7.500%, June 30, 2030	1,000,000	1,030,300	
1,000,000	Algonquin Power & Utilities Corp, 5.250%, January 18, 2082	991,250	1,002,938	
1,000,000	Alphabet Inc, 5.000%, May 15, 2056	990,320	1,024,893	
750,000	AltaGas Ltd, 5.250%, January 11, 2082	750,000	757,268	
850,000	AT&T Inc, 4.850%, May 25, 2047	742,518	807,436	
1,000,000	Athabasca Oil Corp, 6.750%, August 9, 2029	1,000,000	1,038,313	
1,000,000	Avenue Living 2014 LP, 7.750%, February 17, 2056	1,000,000	998,923	
250,000	Badger Infrastructure Solutions Ltd, 5.375%, May 14, 2031	250,000	254,844	
475,000	Bank of Nova Scotia/The, 3.700%, July 27, 2081	436,050	472,622	
1,000,000	Bell Telephone Co of Canada or Bell Canada, 4.700%, November 15, 2036	998,150	1,007,667	
375,000	Bell Telephone Co of Canada or Bell Canada, 5.375%, May 12, 2056	374,906	372,495	
725,000	Bell Telephone Co of Canada or Bell Canada, 5.875%, May 12, 2056	724,783	724,936	
500,000	Bonterra Energy Corp, 10.500%, January 28, 2030	495,290	525,000	
750,000	Brookfield Infrastructure Finance ULC, 5.598%, September 1, 2055	750,000	764,635	
500,000	Brookfield Renewable Partners ULC, 5.318%, January 10, 2054	500,000	504,166	
500,000	Brookfield Renewable Partners ULC, 5.373%, September 10, 2055	500,000	504,669	
750,000	Capital Power Corp, 7.950%, September 9, 2082	750,000	849,160	
500,000	Cineplex Inc, 7.625%, March 31, 2029	500,000	519,800	
2,500,000	Coast Capital Savings Federal Credit Union, 6.325%, October 28, 2035	2,499,999	2,534,801	
550,000	Corus Entertainment Inc, 5.000%, May 11, 2028	236,250	167,750	
500,000	Electricite de France SA, 5.231%, February 6, 2055	500,000	489,802	
750,000	Empire Communities Corp, 7.625%, November 1, 2029	750,000	747,904	
750,000	Empire Life Insurance Co/The, 3.625%, April 17, 2081	752,625	761,501	
1,000,000	Empire Life Insurance Co/The, 6.000%, December 31, 2049	1,000,000	1,012,230	
750,000	Enbridge Inc, 8.747%, January 15, 2084	885,750	907,865	
750,000	Enbridge Pipelines Inc, 5.820%, August 17, 2053	745,935	789,540	
500,000	Enerflex Inc, 6.875%, January 15, 2031	698,980	726,429	
500,000	Energir LP, 4.830%, June 2, 2053	499,765	498,195	
500,000	EQB Inc, 6.760%, October 31, 2086	502,500	505,545	
750,000	EQB Inc, 8.000%, October 31, 2084	750,000	796,122	
625,000	Fairfax Financial Holdings Ltd, 5.100%, August 16, 2055	621,781	607,274	
525,000	Fortis Inc/Canada, 5.100%, December 4, 2055	525,000	528,315	
1,000,000	FortisAlberta Inc, 4.921%, July 2, 2056	1,000,000	1,005,029	
1,000,000	G Cooper Equipment Rentals Ltd, 7.450%, July 4, 2029	1,018,750	1,012,396	
400,000	Gibson Energy Inc, 5.250%, December 22, 2080	388,920	404,304	
1,250,000	Great-West Lifeco Inc, 3.600%, December 31, 2081	1,172,450	1,229,684	
1,150,000	Heavy Metal Equipment & Rentals, 7.250%, February 26, 2030	1,139,386	1,158,721	
500,000	Hydro One Inc, 4.850%, November 30, 2054	516,575	500,719	
500,000	iA Financial Corp Inc, 6.921%, September 30, 2084	500,000	525,540	
1,000,000	IGM Financial Inc, 5.002%, June 2, 2056	1,000,000	1,009,639	
1,000,000	Intact Financial Corp, 5.642%, March 31, 2086	1,001,500	996,668	
250,000	Inter Pipeline Ltd/AB, 5.091%, November 27, 2051	213,790	238,191	
750,000	Inter Pipeline Ltd/AB, 6.750%, December 12, 2054	750,000	788,531	
500,000	Keyera Corp, 5.663%, January 4, 2054	500,000	524,570	
275,000	Keyera Corp, 5.950%, March 10, 2081	277,372	287,442	
1,000,000	Keyera Corp, 6.000%, October 15, 2055	999,960	1,020,685	
500,000	Kruger Products Inc, 6.625%, November 1, 2031	500,000	519,521	
2,000,000	Mattamy Group Corp, 5.500%, December 15, 2032	2,009,380	1,984,167	
750,000	Mattr Corp, 7.250%, April 2, 2031	750,000	774,844	
1,000,000	MDA Space Ltd, 7.000%, December 23, 2030	1,000,000	1,050,017	
990,000	Newfoundland Power Inc, 4.913%, August 18, 2055	990,000	976,557	
1,000,000	North American Construction Group Ltd, 7.000%, June 16, 2031	1,000,000	1,008,854	
500,000	North American Construction Group Ltd, 7.750%, November 1, 2030	500,000	514,792	
500,000	Nova Scotia Power Inc, 5.355%, March 24, 2053	500,000	519,605	
500,000	Obsidian Energy Ltd, 8.125%, December 3, 2030	500,000	513,750	
2,000,000	Pembina Pipeline Corp, 5.950%, June 6, 2055	2,021,629	2,062,579	
1,000,000	Royal Bank of Canada, 3.650%, November 24, 2081	927,500	993,270	
500,000	Royal Bank of Canada, 6.500%, May 24, 2086	683,395	705,889	
500,000	Royal Bank of Canada, 7.500%, May 2, 2084	689,581	740,482	
1,447,000	Sagen MI Canada Inc, 4.950%, March 24, 2081	1,331,368	1,370,974	
1,000,000	Sollio Cooperative Group, 6.000%, July 3, 2030	1,000,000	1,011,875	
1,000,000	Sollio Cooperative Group, 5.875%, November 3, 2032	995,000	989,375	
925,000	Sun Life Financial Inc, 3.600%, June 30, 2081	830,099	916,906	
1,000,000	Surge Energy Inc, 8.500%, September 5, 2029	1,000,000	1,039,167	
1,000,000	Tamarack Valley Energy Ltd, 6.875%, July 25, 2030	1,000,000	1,053,111	
1,000,000	TELUS Corp, 5.875%, June 9, 2056	1,000,000	1,002,860	
500,000	Teranet Holdings LP, 5.010%, March 7, 2035	500,560	511,325	
500,000	Top Aces Inc, 7.000%, February 18, 2031	500,000	510,625	
750,000	Top Aces Inc, 9.000%, March 13, 2030	750,000	802,031	
1,000,000	Toronto Hydro Corp, 4.750%, September 24, 2055	999,520	989,182	
1,000,000	Toronto-Dominion Bank/The, 3.600%, October 31, 2081	946,500	992,959	
Total Corporate Bonds		**57,125,087**	**58,490,174**	**84.97%**
Mortgage Backed Securities				
1,000,000	Cologix Canadian Issuer LP, 4.940%, January 25, 2052	974,700	996,800	
500,000	eStruxture Issuer LP, 5.894%, July 20, 2055	500,000	500,055	
500,000	Real Estate Asset Liquidity Trust, 4.951%, January 12, 2060	482,157	492,250	
977,000	Real Estate Asset Liquidity Trust, 4.951%, January 12, 2060	887,483	906,656	
Total Mortgage Backed Securities		**2,844,340**	**2,895,761**	**4.21%**
Total Bonds and Mortgage Backed Securities		**67,518,591**	**68,961,385**	**100.18%**
Transaction costs				
Total Investments		**67,558,540**	**69,001,334**	**100.24%**
Cash and other assets, net of liabilities			**(168,227)**	**-0.24%**
Net Assets			**68,833,107**	**100.00%**

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 14, 2026.

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 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.
Classification and Measurement

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

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

Financial assets and financial liabilities at amortized cost

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

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.

Transaction costs

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

Capital Disclosures

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

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

Bonds 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.

4. Summary of material accounting policy information (continued)

Income Recognition

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

Dividend income is recognized on the ex-dividend date.

Financial Instruments - Disclosures

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

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Investment Manager has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices that is observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

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

a) Common stock

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

b) Bonds and short-term investments

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

Please see Note 12 for these disclosures.

4. Summary of material accounting policy information (continued)

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.

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 fair value through profit or loss ("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.

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, 2026 and January 1 to December 31, 2025:

	2026		2025	
	Class A	**Class F**	Class A	Class F
Units outstanding, beginning of period	**5,280,346**	**2,142,592**	3,571,276	1,180,613
Units issued for cash	**236,470**	**32,880**	1,842,727	1,266,481
Units redeemed	**(530,251)**	**(71,745)**	(345,944)	(390,668)
Reinvestment of distribution	**104,533**	**40,921**	212,287	86,166
Units outstanding, end of period	**5,091,098**	**2,144,648**	5,280,346	2,142,592

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, 2026 amounted to $248,844 (2025 - $187,065).

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 - $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.

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 period 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 period. 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, the Fund had capital losses of $1,346,379 (2024 - $3,411,647) 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, 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**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Interest Rate Exposure	**39,949**	**-**	**-**	**687,549**	**14,772,971**	**53,500,865**	**-**	**69,001,334**

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
	$	$	$	$	$	$	$	$
Interest Rate Exposure	179,859	49,873	-	200,750	13,866,968	54,466,168	-	68,763,618

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 period would amount to approximately $7.2 million (December 31, 2025 - $6.5 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 $7.2 million (December 31, 2025 - $6.5 million).

11. Financial instruments and risk management (continued)

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 BBB/Baa and BB/Ba 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
AAA/Aaa	**8.98%**
AA/Aa	**2.89%**
A/A	**15.55%**
BBB/Baa	**26.29%**
BB/Ba	**38.00%**
B/B	**8.53%**
Total	**100.24%**

Rating	December 31, 2025 As a % of Net Assets
AAA/Aaa	9.28%
AA/Aa	3.94%
A/A	12.19%
BBB/Baa	28.62%
BB/Ba	35.78%
B/B	8.77%
CCC/Caa	0.29%
Total	98.87%

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, 2026, the Fund held $2,172,800 (December 31, 2025 – $1,429,076) in assets and liabilities denominated in currencies other than the 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 $108,640 (December 31, 2025 - $71,454).

11. 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 and cash equivalent 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
Redemptions payable	**$ -**	**$ 5,000**	**$ 5,000**
Accrued expenses	**-**	**52,839**	**52,839**
Distributions payable	**-**	**267**	**267**
Due to broker	**-**	**1,000,000**	**1,000,000**
Net Assets attributable to holders of redeemabale units	**68,833,107**	**-**	**68,833,107**
Total Liabilities	**$ 68,833,107**	**$ 1,058,106**	**$ 69,891,213**

December 31, 2025

Financial Liabilities	On Demand	< 3 Months	Total
Redemptions payable	$ -	$ -	$ -
Accrued expenses	-	69,622	69,622
Net Assets attributable to holders of redeemabale units	69,552,766	-	69,552,766
Total Liabilities	$ 69,552,766	$ 69,622	$ 69,622,388

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 Short-Term Investments	**0.06%**	0.33%
Federal Bonds	**8.92%**	8.95%
Provincial Bonds	**0.68%**	2.30%
Municipal Bonds	**1.40%**	1.38%
Corporate Bonds	**84.97%**	80.32%
Mortgage Backed Securities	**4.21%**	5.59%
Total	**100.24%**	98.87%

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, 2026 and December 31, 2025.

				Financial assets at fair value as of June 30, 2026
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Cash	**79,722**	**-**	**-**	**79,722**
Short Term Investments	**-**	**39,949**	**-**	**39,949**
Bonds	**-**	**66,065,624**	**-**	**66,065,624**
Mortgage Backed Securities (MBS)	**-**	**2,895,761**	**-**	**2,895,761**
	79,722	**69,001,334**	**-**	**69,081,056**

				Financial assets at fair value as of December 31, 2025
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	92,039	-	-	92,039
Short Term Investments	-	229,733	-	229,733
Bonds	-	64,646,445	-	64,646,445
Mortgage Backed Securities (MBS)	-	3,887,440	-	3,887,440
	92,039	68,763,618	-	68,855,657

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 Tactical Yield Fund

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