



Ridgewood Canadian Investment Grade Bond Fund

Annual Report 2025 and 2024

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MESSAGE TO UNITHOLDERS 2025

Throughout 2025 central banks were cutting overnight rates to combat slowing economic activity. Elevated inflation rates and better than expected economic indicators in the US resulted in only a 75 basis point decrease vs a 100 basis point rate reduction in Canada. Volatility in the Canadian markets remained high given the political pressures from the Trump administration. Ultimately, the central banks pivot towards a looser monetary policy and economic readings indicating no imminent risk of a recession led to full year 2025 performance gains. For 2026, Bank of Canada is expected to remain on hold until economic / trade outlook has been clarified and the FED is expected to reduce another 25 - 50 basis points but skewed towards the second half of the year. In the case of Canada, growth continues to soften as tariff uncertainty is restricting hiring and layoffs are increasing. Housing and condominium sales remain weak, and more concerning is that prices are continuing to be marked down. The consumer psychology against this backdrop will be one of "save for a rainy day". Growth will continue to slow but will remain positive. In this environment, high rated corporate bonds continue to perform well as they provide an additional yield over low yielding Government bonds.

During the first quarter, the bond market experienced a return of 2.02% as the Bank of Canada reduced rates by 50 basis points and volatility in equity markets resulted in asset allocation into fixed income. The top 2 performing sectors were Infrastructure and Federal Agency bonds with returns of 2.33% and 2.28%. Within Corporates, Corporate A ranked bonds had the best performance at 1.84%. The Canadian stock market was volatile but ended up slightly as the S&P/TSX returned 0.77% for the quarter.

In the second quarter, increased risk appetite was the result of a Trump post on Trust Social. Positive returns for stocks, but bonds were negative. The S&P/TSX returned 7.78%. Monetary policy in Canada saw no further rate reductions, for the quarter the bond markets returned -0.57%. Corporate profit outlook had been better than anticipated with the threat of tariffs, as a result, corporate debt outperformed the benchmark with a return of 0.45%.

At the end of the third quarter, the effects of central bank easing policy resulted in favourable market conditions for both fixed income and equities. The Bank of Canada reduced rates by 25 basis points in the quarter. The S&P/TSX index returned 11.79%. Meanwhile, the bond markets returned 1.51%. Corporate debt continued to do well, especially the BBB segment outperforming the benchmark by 64 basis points.

The bond market had a muted fourth quarter. The Bank of Canada eased another 25 basis points in the quarter but signaled that fiscal policies would be the better tool going forward to get the Canadian economy growing at full potential. Worsening economic measures and continued uncertainties with the Trump administration stalled economic activity. The bond market returned -0.32% while Canadian equities rallied to a gain of 5.62%. Corporate debt continued its outperformance relative to the benchmark by 66 basis points.

The FTSE Canada Universe Bond Index returned 2.64% for 2025 while the Corporate Bond Index returned 4.48%. Within Corporate bonds, Corporate BBB returned 5.14%, primarily due to characteristics of the index, which is a shorter than average duration and higher in coupon. Corporate bonds will likely continue to outperform in 2026 as the economy slows and investors will extend out the risk spectrum. The yield curve is positively sloped, and the slope has steepened since the end of 2024 as 30-year bonds yield 3.86% with 2-year bonds yielding 2.55%.

Ridgewood Canadian Investment Grade Bond Fund

For the year ended December 31, 2025

Management Report of Fund Performance

This Management Report on Fund Performance has been prepared in accordance with National Instrument 81-106 (Investment Fund Continuous Disclosure) and contains the financial highlights of Ridgewood Canadian Investment Grade Bond Fund (the “Fund”) for the year ended December 31, 2025. The annual audited financial statements of the Fund are also attached behind this report.

Copies of the Fund’s quarterly portfolio disclosure may be obtained by visiting our website at www.ridgewoodcapital.ca or by calling-1-888-789-8957 toll free or by writing to the Fund at Investor Relations, 55 University Avenue, Suite 904, Toronto, Ontario, M5J 2H7.

Investment Objectives and Strategies

The Fund will seek to achieve the following investment objectives:

- to provide unitholders with monthly cash distributions, initially targeted to be 5.25% per annum on the original issue price of \$12.00 per unit; and
- 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 35% of the Portfolio in Investment Grade Bonds issued by non-Canadian issuers. As at June 30 and December 31 of each year (each a “Determination Date”), at least 90% of the Portfolio will be invested in securities denominated in Canadian dollars.

Risk

The Fund invests primarily in liquid Canadian federal and provincial government securities, and those of Canadian corporations rated investment grade or better by the Dominion Bond Rating Service Limited or other recognized rating agencies. The Fund may also invest in comparable fixed income securities of foreign issuers. Investors should be aware that the primary risk associated with the Fund is interest rate risk. As interest rates rise, bond prices depreciate, and the income provided from the coupon may not cover the decline in the value of the bond.

Summary of Investment Portfolio

The summary of the Fund’s 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.

The following table shows a summary of the Fund’s investment portfolio as at December 31, 2025.

Asset Mix

December 31, 2025

	% of Net Asset Value		% of Net Asset Value
Corporate Bonds	87.9	Mortgage-Backed Securities	38.3
Federal Bonds	13.9	Non-North American Bonds	5.6
U.S. Bonds, Government Bonds and MBS	5.5		

Ridgewood Canadian Investment Grade Bond Fund

For the year ended December 31, 2025

Top 25 Holdings

	Percentage of Net Asset value
1. Government of Canada, 3.50%, 2057/12/01	11.6%
2. Transalta Corp., 7.30%, 2029/10/22	6.7%
3. REALT2024-RONA B, 7.25% 2029/12/12	5.9%
4. Sagen MI Canada Inc., 4.95%, 2026/03/24	4.7%
5. REALT 2016-2 D, 3.8446%, 2026/05/12	4.7%
6. IA Financial Corp., Variable Rate, Callable, 6.921%, 2084/09	4.7%
7. Transalta Corp., 6.90%, 2030/11/15	4.6%
8. Fortis Inc., 5.1%, 2030/09/30	4.4%
9. Sagicor Financial Co. Ltd., Callable, 6.36%, 2029/06/20	4.0%
10. Royal Bank of Canada, Variable Rate, Callable, 7.50%, 2029/05/02	3.9%
11. Institutional Mortgage Securities Canada Inc., 2016-7 D, 3.85676%, 2026/10/12	3.8%
12. Citibank, 5.365%, 2036/03/06	3.7%
13. Sun Life Financial, 3.60%, 2026/06/30	3.4%
14. Teranet Holdings, 5.01%, 2035/03/07	3.3%
15. REALT 2016-1 E, 3.68496%, 2026/05/12	3.2%
16. National Bank, 4.05%, 2026/07/15	3.2%
17. REALT 2025-1 C, 4.95108%, 2033/06/13	3.2%
18. Toronto Dominion Bank, 5.909%, 2030/01/31	3.1%
19. Royal Bank of Canada Perpetual, 6.698%, 2029/09/24	3.1%
20. Canadian Imperial Bank of Commerce, 6.369%, 2030/04/28	3.1%
21. Canadian Utilities, 5.45%, 2035/12/22	3.0%
22. Enbridge Inc., 8.495%, 2029/01/15	3.0%
23. REALT 24-RONA, 6.26%, 2029/12/12	2.9%
24. Great-West Lifeco Inc., 3.60%, 2026/12/31	2.9%
25. Empire Life, 3.625%, 2026/04/17	2.9%
Total	103.0%

Results of Operations

For the year ended December 31, 2025, the net asset value of the Fund was \$14.27 compared to \$14.02 per unit on December 31, 2024.

In 2025, there were twelve distributions of \$0.053 each. The Fund will determine and announce each quarter the distribution amounts for the following quarter, based upon the Manager's estimate of distributable cash flow for the quarter. The Fund may make additional distributions in any given year.

For the year ended December 31, 2025, the Fund had an annual compound return of 7.87% net of fees of 2.13% (including HST). The FTSE Canada Universe Bond Index had a return of 2.64%, with corporate bonds 4.48%. Real Estate and Communication bonds were the top performers returning 5.33% and 5.46% respectively. The portfolio was fully invested in corporate bonds with a higher weight in mid-term bonds.

Ridgewood Canadian Investment Grade Bond Fund

For the year ended December 31, 2025

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 years ended December 31 is derived from the Fund's audited financial statements. The Net Assets per Unit table as at December 31 are from the Fund's audited financial statements. Calculations for the purposes of the MRFP are made using Net Asset Value. The Net Asset Value in the Ratio/Supplemental Data table is for fund pricing purposes. Both the Net Asset Value in the Net Assets per Unit table and the Ratio/Supplemental Data table are calculated using closing prices.

Class A	Years ended December 31				
	2025	2024	2023	2022	2021
		\$	\$	\$	\$
The Fund's net assets per unit					
Net assets value, beginning of year ^{(1), (2)}	14.02	12.89	12.67	15.94	16.20
Increase (decrease) from operations					
Total revenue	1.08	1.02	0.84	0.96	1.04
Total expenses (excluding distributions)	(0.30)	(0.38)	(0.28)	(0.22)	(0.19)
Realized gain (loss) for the year	0.36	0.12	(0.57)	(1.11)	0.17
Unrealized gain (loss) for the year	(0.11)	0.97	0.87	(2.18)	(0.42)
Total increase (decrease) from operations ⁽²⁾	1.03	1.73	0.86	(2.55)	0.60
Distributions to unitholders					
From net investment income	(0.83)	(0.64)	(0.56)	(0.72)	(0.83)
From dividends	-	-	-	-	-
From net realized capital gains	-	-	-	-	(0.10)
From return of capital	-	-	(0.08)	-	-
Total distributions ⁽³⁾	(0.83)	(0.64)	(0.64)	(0.72)	(0.93)
Net assets value, end of year ^{(1), (2)}	14.27	14.02	12.89	12.67	15.94

- (1) This information is derived from the Fund's audited financial statements as at December 31 of the year. For all prior years the financial statements of the Fund were prepared in accordance with Canadian GAAP applicable to public enterprises. 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.
- (2) Total increase (decrease) from operations consists of interest revenue, realized and unrealized gains (losses), less expenses, and is calculated based on the weighted average number of units outstanding during the year. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of units outstanding during the year.
- (3) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution and were paid in cash.

Class A	Years ended December 31				
	2025	2024	2023	2022	2021
Ratios/supplemental data					
Net Asset Value, end of year (\$millions)(1)	\$ 169.60	\$ 217.12	\$ 239.40	\$ 235.32	\$ 296.08
Number of units outstanding	11,885,200	15,490,171	18,575,820	18,575,820	18,575,820
Management expense ratio ⁽³⁾	2.13%	2.82%	2.22%	1.60%	1.17%
Management expense ratio before waivers or absorptions ⁽⁴⁾	2.13%	2.82%	2.22%	1.60%	1.17%
Trading expense ratio ⁽⁵⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁵⁾	136.26%	112.38%	103.29%	44.53%	84.79%
Closing market price ⁽⁷⁾	\$ -	\$ -	\$ 13.45	\$ 14.90	\$ 17.19
Net asset value per unit, end of year	\$ 14.27	\$ 14.02	\$ 12.89	\$ 12.67	\$ 15.94

- (1) The information is provided for the year ended December 31
- (2) The inception date for Class A is December 18, 2009.
- (3) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average net assets during the year. Out of its management fees, the Manager pays for such services to the Fund as portfolio manager compensation, service fees and marketing. Management expense ratio is inclusive of performance fees.
- (4) The Manager, at its discretion, may waive and/or absorb a portion of the fees and/or expenses otherwise payable by the Fund. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager.
- (5) The Fund's portfolio turnover rate indicates how actively the Sub-Advisor trades the Fund's 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 year. The higher the Fund's portfolio turnover rate in a year, 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 year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.
- (6) The trading expense ratio represents total commissions and other portfolio transactions costs expressed as an annualized percentage of daily average net asset value during the year.
- (7) Ridgewood received approval on March 22, 2024 from unitholders to convert the Investment Grade Bond Fund from a closed end fund to an alternative mutual fund, we will be using the daily NAV for pricing in the future and will continue to be allowed to use leverage in the fund.

Ridgewood Canadian Investment Grade Bond Fund

For the year ended December 31, 2025

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 0.50% (plus applicable taxes) of the net asset value 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 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.

Recent Developments

Throughout 2025 central banks were cutting overnight rates to combat slowing economic activity. Elevated inflation rates and better than expected economic indicators in the US resulted in only a 75 basis point decrease vs a 100 basis point rate reduction in Canada. Volatility in the Canadian markets remained high given the political pressures from the Trump administration. Ultimately, the central banks pivot towards a looser monetary policy and economic readings indicating no imminent risk of a recession led to full year 2025 performance gains. For 2026, Bank of Canada is expected to remain on hold until economic / trade outlook has been clarified, and the FED is expected to reduce another 25 – 50 basis points but skewed towards the second half of the year. In the case of Canada, growth continues to soften as tariff uncertainty is restricting hiring and layoffs are increasing. Housing and condominium sales remain weak, and more concerning is that prices are continuing to be marked down. The consumer psychology against this backdrop will be one of "save for a rainy day". Growth will continue to slow but will remain positive. The environment for global trade is still an overhang which has been stalling global economic activity. In this environment, high rated corporate bonds continue to perform well as they provide an additional yield over low yielding Government bonds.

The FTSE Canada Universe Bond Index returned 2.64% for 2025 while the Corporate Bond Index returned 4.48%. Within Corporate bonds, Corporate BBB returned 5.14%, primarily due to characteristics of the index, which is a shorter than average duration and higher in coupon. Corporate bonds will likely continue to outperform in 2026 as the economy slows and investors will extend out the risk spectrum. The yield curve is positively sloped, and the slope has steepened since the end of 2024 as 30-year bonds yield 3.86% with 2-year bonds yielding 2.55%.

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 return or performance information does not take into account sales, redemptions, distributions or other 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.

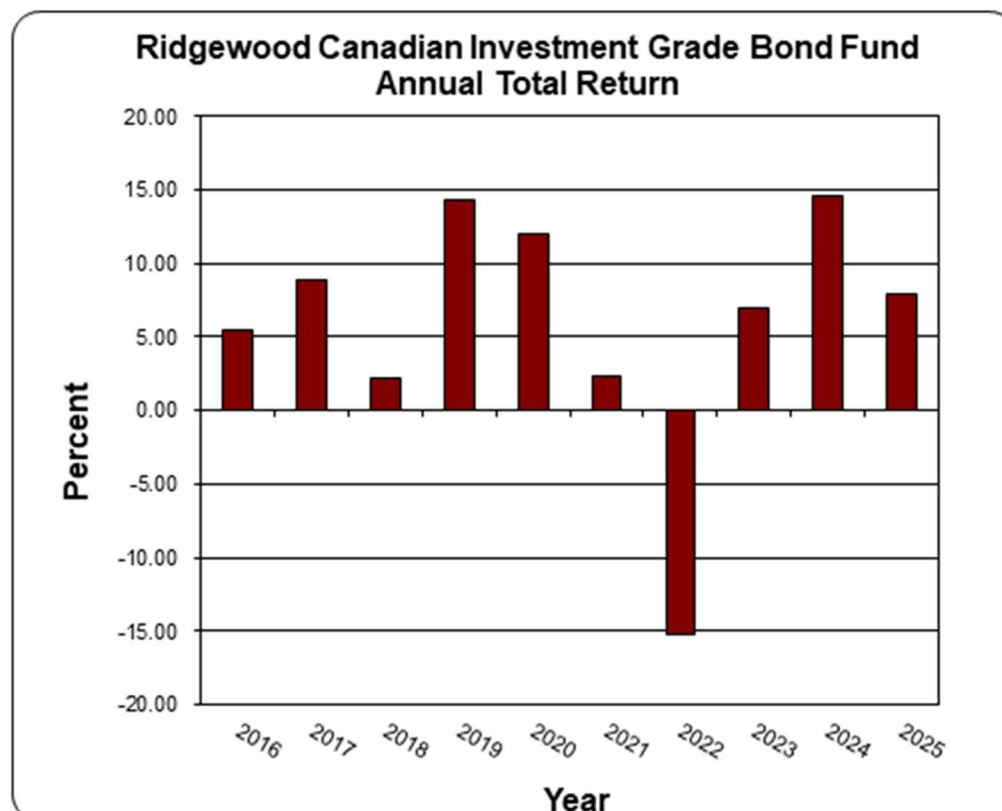
Year-By-Year Returns

The bar chart illustrates how the Fund's annual total return in each of the past ten years has varied. The chart also shows, in percentage terms, how much an investment made on January 1, of each year would have increased or decreased by the end of that fiscal year.

Ridgewood Canadian Investment Grade Bond Fund

For the year ended December 31, 2025

Annual Total Return



Annual Compound Returns

The following table shows the Fund's historical annual compound total return (net of expenses of 2.82%, including HST) for the periods ended December 31 as compared to the performance of the FTSE TMX Canada Universal Bond Index.

	One Year	Three Years	Five Years	Ten Years
Ridgewood Canadian Investment Grade Bond Fund	7.87%	9.76%	2.80%	5.60%
FTSE TMX Canada Universe Bond *	2.64%	4.50%	-0.36%	1.89%

* FTSE TMX Canada Universe Bond (formerly, DEX Universe Bond Index) represents a broad selection of hundreds of Canadian corporate and government bonds including short-term, medium-term, and long-term issues.

Related Party Transactions

Ridgewood Capital Asset Management Inc. ("Ridgewood") manages the Fund's investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to the declaration of trust of the Fund dated November 27, 2009, as amended and restated on December 17, 2009.

Ridgewood is the Manager and Trustee of the Fund pursuant to the Declaration of Trust dated, and, as such, is responsible for providing or arranging for required administrative services to the Fund.

Ridgewood Canadian Investment Grade Bond Fund

For the year ended December 31, 2025

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 members of the IRC of the Fund 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.

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 Canadian Investment Grade Bond Fund

The financial statements have been prepared by management in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this annual 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.

March 20, 2026

Independent Auditor's Report

To the Unitholders of
Ridgewood Canadian Investment Grade Bond Fund (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- Management Report of Fund Performance
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The image shows the signature of Deloitte LLP in a cursive, handwritten style.

Chartered Professional Accountants
Licensed Public Accountants
March 20, 2026

Ridgewood Canadian Investment Grade Bond 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 - \$251,116,569; 31-Dec-24 - \$291,919,021)	256,464,368	298,562,799
Cash	417,782	156,412
Accrued interest receivable	2,058,329	2,955,461
Subscriptions receivable	5,500	305,100
Total Assets	258,945,979	301,979,772
Liabilities		
Redemptions payable	1,500	45,000
Accrued expenses	403,374	417,358
Distributions Payable	2,272,578	818,413
Loan payable (Note 10)	86,668,077	83,579,144
Total Liabilities (excluding net assets attributable to holders of redeemable units)	89,345,529	84,859,915
Net Assets attributable to holders of redeemable units	169,600,450	217,119,857
Net assets attributable to holders of redeemable units per unit per class		
Class A	169,600,450	217,119,857
	169,600,450	217,119,857
Number of redeemable units outstanding (Note 5)		
Class A	11,885,200	15,490,171
	11,885,200	15,490,171
Net assets attributable to holders of redeemable units per unit		
Class A	14.2699	14.0200

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	14,895,973	17,291,090
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	5,016,798	2,016,214
Net gain (loss) on foreign exchange	1,962	(466)
Net realized gain (loss) on foreign exchange	-	23,836
Net change in unrealized (depreciation) appreciation of investments	(1,296,034)	16,469,969
Total income	18,618,699	35,800,643
Expenses		
Management fees (Note 6)	994,159	1,239,315
Administrative and other expenses	193,284	272,216
HST expense	113,890	-
Legal fees	15,806	41,811
Audit fees	40,524	11,223
Independent Review Committee fees (Note 6)	13,100	24,935
Insurance premium fees	4,362	-
Transaction costs	625	68
Total operating expenses	1,375,750	1,589,568
Operating profit	17,242,949	34,211,075
Finance cost		
Interest and bank fees (Note 10)	2,863,677	4,810,314
Increase in net assets attributable to holders of redeemable units	14,379,272	29,400,761
Increase in net assets attributable to holders of redeemable units per unit per class		
Class A	14,379,272	29,400,761
	14,379,272	29,400,761
Daily average number of redeemable units outstanding		
Class A	13,992,889	16,995,876
	13,992,889	16,995,876
Increase in net assets attributable to holders of redeemable units per unit per unit		
Class A	1.0276	1.7300

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 years ended December 31, 2025 and 2024

	2025	2024
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class A	217,119,857	239,398,192
	217,119,857	239,398,192
Distributions to redeemable unitholders		
From net investment income		
Class A	(11,055,313)	(10,695,015)
	(11,055,313)	(10,695,015)
Distributions to redeemable unitholders		
From return of capital		
Class A	-	(40,260)
	-	(40,260)
Total distributions to redeemable unitholders		
Class A	(11,055,313)	(10,735,275)
	(11,055,313)	(10,735,275)
Redeemable unit transactions (Note 5)		
Proceeds from units issued		
Class A	35,026,958	6,216,529
	35,026,958	6,216,529
Amount paid for units redeemed		
Class A	(85,870,324)	(47,160,350)
	(85,870,324)	(47,160,350)
Total redeemable unit transactions		
Class A	(50,843,366)	(40,943,821)
	(50,843,366)	(40,943,821)
Increase in net assets attributable to holders of redeemable units		
Class A	14,379,272	29,400,761
	14,379,272	29,400,761
Net assets attributable to holders of redeemable units at end of year		
Class A	169,600,450	217,119,857
	169,600,450	217,119,857

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	14,379,272	29,400,761
Adjustments for		
Net realized (gain) on investments excluding foreign currency	(5,016,798)	(2,016,214)
Net change in unrealized depreciation (appreciation) of investments	1,296,034	(16,469,969)
Net (gain)/loss on foreign exchange on cash	(1,962)	466
Purchase of investments	(381,317,699)	(361,216,455)
Proceeds from sale of investments	427,136,269	369,472,279
Transaction costs	625	-
Decrease (increase) in accrued interest receivable	897,132	(281,373)
(Decrease) in accrued expenses	(13,984)	(97,242)
Net cash provided by operating activities	57,358,889	18,792,253
Cash provided by (used in) financing activities		
Proceeds from units issued	35,326,558	5,911,429
Amount paid for units redeemed	(85,913,824)	(47,115,350)
Distributions paid to holders of redeemable units, net of reinvested distributions	(9,601,148)	(10,901,380)
Change in loan payable	3,088,933	33,334,250
Net cash (used in) financing activities	(57,099,481)	(18,771,051)
Foreign exchange gain/(loss) on cash	1,962	(466)
Increase in cash	259,408	21,202
Cash, beginning of year	156,412	135,676
Cash, end of year	417,782	156,412
Interest received	15,793,105	17,009,717
Interest paid	2,747,080	5,414,203

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

Ridgewood Canadian Investment Grade Bond Fund

Schedule of Investments

As at December 31, 2025

Par Value	Security	Average Cost	Fair Value	% of Portfolio
		\$	\$	
Canadian Bonds				
Corporate Bonds				
3,250,000	Brookfield Renewable Partners ULC, 5.373%, September 10, 2055	3,250,000	3,279,848	
2,000,000	Brookfield Renewable Partners ULC, 5.450%, March 12, 2055	2,001,000	2,015,488	
4,000,000	Canadian Imperial Bank of Commerce, 5.898%, January 28, 2086	4,014,800	4,003,331	
5,000,000	Canadian Imperial Bank of Commerce, 6.369%, April 28, 2085	5,046,150	5,188,270	
5,000,000	Canadian Utilities Ltd, 5.450%, December 22, 2055	5,000,000	5,010,976	
5,000,000	Empire Life Insurance Co/The, 3.625%, April 17, 2081	4,743,750	4,876,302	
5,000,000	Enbridge Inc, 5.150%, December 17, 2055	5,000,000	5,009,489	
4,000,000	Enbridge Inc, 5.320%, August 22, 2054	4,003,000	4,050,211	
3,000,000	Enbridge Inc, 8.747%, January 15, 2084	3,545,040	3,594,725	
7,500,000	Fortis Inc/Canada, 5.100%, December 4, 2055	7,500,000	7,525,029	
5,177,000	Great-West Lifeco Inc, 3.600%, December 31, 2081	4,998,021	4,897,576	
7,500,000	iA Financial Corp Inc, 6.921%, September 30, 2084	7,510,714	7,884,981	
4,000,000	Inter Pipeline Ltd/AB, 4.637%, May 30, 2044	3,417,060	3,617,629	
4,500,000	Keyera Corp, 4.569%, October 15, 2055	4,509,365	4,466,496	
3,750,000	Manulife Financial Corp, 3.375%, June 19, 2081	3,387,036	3,608,507	
3,115,000	Manulife Financial Corp, 4.100%, March 19, 2082	3,053,391	2,957,162	
5,500,000	National Bank of Canada, 4.050%, August 15, 2081	4,765,979	5,446,618	
1,557,000	NFI Group Inc, 5.000%, January 15, 2027	1,386,746	1,564,785	
2,000,000	Pembina Pipeline Corp, 4.800%, January 25, 2081	1,962,085	1,994,850	
5,000,000	Royal Bank of Canada, 3.650%, November 24, 2081	4,688,833	4,802,066	
5,000,000	Royal Bank of Canada, 6.698%, December 31, 2049	5,000,000	5,254,000	
4,500,000	Royal Bank of Canada, 7.500%, May 2, 2084	6,178,950	6,551,811	
8,500,000	Sagen MI Canada Inc, 4.950%, March 24, 2081	8,031,382	8,008,278	
5,975,000	Sun Life Financial Inc, 3.600%, June 30, 2081	5,662,557	5,744,394	
5,500,000	Teranet Holdings LP, 5.010%, March 7, 2035	5,508,085	5,571,556	
3,200,000	Teranet Holdings LP, 5.754%, December 17, 2040	3,106,996	3,268,878	
3,000,000	Toronto-Dominion Bank/The, 3.600%, October 31, 2081	2,842,500	2,880,505	
5,250,000	Toronto-Dominion Bank/The, 5.909%, January 31, 2085	5,229,041	5,309,143	
7,100,000	TransAlta Corp, 6.900%, November 15, 2030	7,528,576	7,712,535	
10,409,000	TransAlta Corp, 7.300%, October 22, 2029	11,323,765	11,404,427	
1,500,000	Trisura Group Ltd, 2.641%, June 11, 2026	1,500,000	1,498,890	
	Total Corporate Bonds	145,694,822	148,998,756	87.85%
Federal Bonds				
2,000,000	Canada Housing Trust No 1, 3.500%, March 15, 2036	1,969,580	1,977,976	
2,000,000	Canadian Government Bond, 3.250%, December 1, 2035	1,963,700	1,971,089	
21,000,000	Canadian Government Bond, 3.500%, December 1, 2057	20,024,204	19,660,533	
	Total Federal Bonds	23,957,484	23,609,598	13.92%
	Total Canadian Bonds	169,652,306	172,608,354	101.77%
Mortgage Backed Securities				
3,750,000	eStructure Issuer LP, 5.894%, July 20, 2055	3,750,000	3,819,375	
3,422,000	Institutional Mortgage Securities Canada Inc, 3.600%, October 12, 2026	3,314,190	3,389,149	
6,460,000	Institutional Mortgage Securities Canada Inc, 3.778%, October 12, 2026	5,681,760	6,374,728	
	500,000 Real Estate Asset Liquidity Trust, 3.450%, May 12, 2051	494,950	499,600	
1,460,000	Real Estate Asset Liquidity Trust, 3.550%, February 12, 2055	1,458,882	1,394,300	
3,213,000	Real Estate Asset Liquidity Trust, 3.685%, May 12, 2051	2,807,543	3,209,466	
5,513,000	Real Estate Asset Liquidity Trust, 3.685%, May 12, 2051	4,642,375	5,510,795	
8,000,000	Real Estate Asset Liquidity Trust, 3.845%, September 12, 2051	7,091,600	8,004,000	
3,769,000	Real Estate Asset Liquidity Trust, 3.845%, September 12, 2051	3,194,928	3,773,523	
4,731,000	Real Estate Asset Liquidity Trust, 4.020%, June 12, 2054	4,642,173	4,247,492	
716,000	Real Estate Asset Liquidity Trust, 4.394%, August 12, 2053	669,460	719,723	
375,000	Real Estate Asset Liquidity Trust, 4.462%, June 12, 2054	324,450	314,063	
3,412,000	Real Estate Asset Liquidity Trust, 4.950%, January 12, 2060	3,373,365	3,396,987	
5,500,000	Real Estate Asset Liquidity Trust, 4.951%, January 12, 2060	5,298,565	5,357,000	
4,925,000	Real Estate Asset Liquidity Trust, 6.264%, December 12, 2029	4,872,989	4,923,523	
9,950,000	Real Estate Asset Liquidity Trust, 7.250%, December 12, 2029	9,949,240	10,032,584	
	Total Canadian Mortgage Backed Securities	61,566,470	64,966,308	38.31%
	Total Canadian Bonds, Government Bonds and MBS	231,218,776	237,574,662	140.08%
U.S. Bonds				
Corporate Bonds				
6,350,000	Citigroup Inc, 5.365%, March 6, 2036	7,673,607	6,260,847	
	Total U.S. Corporate Bonds	7,673,607	6,260,847	3.69%
U.S. Mortgage Backed Securities				
3,000,000	Retained Vantage Data Centers Issuer LLC, 5.250%, September 15, 2048	2,724,186	3,048,000	
	Total U.S. Mortgage Backed Securities	2,724,186	3,048,000	1.80%
	Total U.S. Bonds, Government Bonds and MBS	10,397,793	9,308,847	5.49%
Non-North American Bonds				
3,000,000	Electricite de France SA, 5.231%, February 6, 2055	3,000,000	2,839,890	
6,500,000	Sagicor Financial Co Ltd, 6.359%, June 20, 2029	6,500,000	6,740,969	
	Total Non-North American Bonds	9,500,000	9,580,859	5.65%
	Transaction costs	-		
	Total Investments	251,116,569	256,464,368	151.22%
	Cash and other assets, net of liabilities		(86,863,918)	-51.22%
	Net assets		169,600,450	100.00%

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

December 31, 2025

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 March 20, 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").

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.

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

December 31, 2025

4. Summary of material accounting policy information (continued)

Classification and Measurement of 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 its 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 net asset value (“NAV”) per unit which is fair value, as of the valuation date for the particular fund for both reporting Net Assets attributable to holders of redeemable units and daily NAV. Short-term notes and treasury bills are stated at amortized cost, which approximates fair market value, are included in the Schedule of Investments.

Cash is comprised of cash on deposit.

Investment Transactions

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

Income Recognition

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

Financial Instruments - Disclosures

The Fund classifies fair value measurements within a hierarchy that prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows:

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

December 31, 2025

4. Summary of material accounting policy information (continued)

Valuation of Investments (continued)

Financial Instruments – Disclosures (continued)

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

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

Level 3 Inputs that are unobservable.

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

a) Bonds and short-term investments

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

Please see Note 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.

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

December 31, 2025

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 an 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 13 – 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 ("FVTP")

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.

Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance ("ESG")-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income ("FVOCI") and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Fund is assessing the impacts to the financial statements.

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.

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

December 31, 2025

5. Redeemable Units (continued)

Following are the redeemable unit transactions during the year:

	2025	2024
	Class A	Class A
Units outstanding, beginning of year	15,490,171	18,575,820
Units issued	2,445,658	451,706
Units redeemed	(6,050,629)	(3,537,355)
Units outstanding, end of year	11,885,200	15,490,171

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 year ended December 31, 2025, amounted to \$994,159 (December 31, 2024 - \$1,239,315).

Independent Review Committee fees

The total remuneration paid to members of the Independent Review Committee ("IRC") during the year ended December 31, 2025, was \$13,100 (2024 - \$24,935).

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 order executions.

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

December 31, 2025

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 December 31, 2025, the balance of the account was \$86,668,077 (December 31, 2024 - \$83,579,144). During the year ended 2025, the maximum amount borrowed was \$121,783,647 (December 31, 2024 - \$130,006,930) and the minimum amount borrowed was \$47,631,153 (December 31, 2024 - \$50,182,758).

Interest and Bank Fees

Total interest and bank fees on the account were \$2,863,677 for the year (December 31, 2024 - \$4,810,314). The account is charged interest based on Canadian Overnight Repo ("CAOREPO") Index plus 45 bps. If interest rates had increased/decreased by 100 basis points, interest expense would have changed by approximately \$909,381 (December 31, 2024 - \$936,201).

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.

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

December 31, 2025

12. Financial instruments and risk management (continued)

Interest Rate Risk (continued)

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

As at December 31, 2024								
	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 3 years	3-5 years	More than 5 years	Non Interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Loan payable	-	83,579,144	-	-	-	-	-	83,579,144
Interest Rate Exposure	-	-	8,576,347	42,552,565	51,564,465	195,869,422	-	298,562,799

At December 31, 2025, should interest rates have decreased by 100 basis points with all other variables remaining constant, the increase in net assets attributable to holders of redeemable units for the year would amount to approximately \$5.0 million (December 31, 2024 - \$3.7 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 \$5.0 million (December 31, 2024 - \$3.7 million).

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.

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

December 31, 2025

Portfolio by rating category	December 31, 2025
Rating	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%

Portfolio by rating category	December 31, 2024
Rating	As a % of net assets attributable to holders of redeemable units
AAA/Aaa	2.28%
AA/Aa	13.21%
A/A	13.27%
BBB/Baa	108.75%
Total	137.51%

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 December 31, 2025, the Fund held \$6,551,811 (December 31, 2024 - \$6,804,019) of its assets and liabilities denominated in currencies other than Canadian dollar. As at December 31, 2025, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies represented in the portfolio, with all other variables remaining constant, net assets would have decreased or increased by approximately \$327,591 (December 31, 2024 - \$340,201).

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 December 31, 2025 and December 31, 2024.

December 31, 2025			
Financial Liabilities	On Demand	< 3 Months	Total
Accrued expenses	\$ -	\$ 403,374	\$ 403,374
Redemptions payable	-	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

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

December 31, 2025

12. Financial instruments and risk management (continued)

Liquidity Risk (continued)

December 31, 2024			
Financial Liabilities	On Demand	< 3 Months	Total
Accrued expenses	\$ -	\$ 417,358	\$ 417,358
Redemptions payable	-	45,000	45,000
Distribution payable	-	818,413	818,413
Loan payable	-	83,579,144	83,579,144
Net Assets attributable to holders of redeemable units	217,119,857	-	217,119,857
Total Liabilities	\$ 84,859,915	\$ -	\$ 301,979,772

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	December 31, 2025	December 31, 2024
Canadian Corporate Bonds	87.85%	103.55%
Canadian Federal Bonds	13.92%	0.00%
Canadian Mortgage Backed Securities	38.31%	29.92%
U.S. Corporate Bonds	3.69%	4.04%
U.S. Mortgage Backed Securities	1.80%	0.00%
Non-North American Bonds	5.65%	0.00%
Total	151.22%	137.51%

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 December 31, 2025, and December 31, 2024.

	Financial assets at fair value as of December 31, 2025			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	382,232	-	-	382,232
Bonds	-	188,450,061	-	188,450,061
Mortgage Backed Securities (MBS)	-	68,014,307	-	68,014,307
	382,232	256,464,368	-	256,846,600

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

December 31, 2025

13. Financial Instruments (continued)

Fair Value Disclosure (continued)

	Financial assets at fair value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	156,412	-	-	156,412
Bonds	-	233,608,044	-	233,608,044
Mortgage Backed Securities (MBS)	-	64,954,755	-	64,954,755
	156,412	298,562,799	-	298,719,211

During the year ended December 31, 2025, there were no significant transfers made between Levels 1 and 2 or 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, 2024, there were no significant transfers made from Levels 1 to 2 or Levels 2 to 3 as a result of changes in the availability of quoted market prices or observable market inputs.

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

December 31, 2025

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 December 31, 2025, and December 31, 2024.

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	382,232	256,464,368	-	256,846,600

Ridgewood Canadian Investment Grade Bond Fund

Notes to the Financial Statements

December 31, 2025

13. Financial Instruments (continued)

Fair Value Disclosure (continued)

	Financial assets at fair value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
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Mutual Funds
Managed by Ridgewood Capital Asset Management Inc.

Ridgewood Canadian Investment Grade Bond Fund

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