Ridgewood Canadian Investment Grade Bond Fund

Interim Report of Fund Performance
For the six months ended June 30, 2014

Ridgewood Canadian Investment Grade Bond Fund

Management Report on Fund Performance

For the six months ended June 30, 2014

Management Report on Fund Performance

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

Results of Operations

For the six months ended June 30, 2014, the net asset value of the Fund for pricing purposes was $13.41 per unit compared to $12.51 per unit at December 31, 2013.

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

For the six months ended June 30, 2014, the fund had a positive return of 9.8% net of fees and expenses of 1.90% while the DEX Universe Bond Index had a return of 1.99%. The bond market has been a safe and profitable sector of the capital markets with virtually all credit markets providing attractive opportunities. The strategy of the Fund has been to overweight corporate bonds relative to its benchmark as yields represent value relative to Government bonds. Term to maturity was also longer than average, which enabled the Fund to produce positive results.

The Fund may utilize various forms of borrowings including a loan facility and margin purchases, up to 35% of the total assets of the Fund at the time of the borrowing. Accordingly, the maximum amount of leverage that the Fund could employ is 1.54:1. Ridgewood, in its capacity as trustee of the Fund, established a margin account with The Bank of Nova Scotia ("Scotia") on January 29, 2010. The Fund is required to pay interest to Scotia on any outstanding indebtedness. Such indebtedness is collateralized by a security interest in the portfolio of investments.

As at June 30, 2014, $55,980,138 of the Fund was leveraged. During the six months ended June 30, 2014, the Fund's maximum leverage outstanding was $57,968,888 and the minimum leverage outstanding was $34,217,610.

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Recent Developments

The Bank of Canada has not increased interest rates this year and has recently stated that it is likely to remain on hold given the uncertain global economic environment. Steven Poloz, Bank of Canada Governor, is still concerned about export growth and final domestic demand. He has highlighted the challenges that a strong Canadian dollar is to the export sector of the economy. We expect the BOC to remain dovish until domestic demand picks up from its current pace. The U.S. economy on the other hand has been gradually picking up momentum with job growth maintaining a consistent path.

Interest rates will likely be limited on the upside given our weak economic growth in the first half of 2014. The corporate bond market remains attractive given the additional interest rate differential over Government bonds. The strategy will be to remain overweight this sector to achieve higher income and potential capital gains.

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.

Information for the year ended December 31 is derived from the Fund's audited financial statements, with the exception of 2013 information, which was re-stated in accordance with IFRS requirements. For June 30, 2014 and December 31, 2013, the Net Assets included in the Net Assets per Unit table is from the Fund's unaudited and audited financial statements, respectively, and are calculated using closing prices while the Net Asset Value included in the Ratios/Supplemental Data table is for Fund pricing purposes and calculated using closing prices. All other calculations for the purposes of the MRFP are made using Net Asset Value.

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The Fund's Net Assets per Unit

Class A

Period	2014	2013	2012	2011	2010	2009 [1]
Net assets, beginning of period	$ 12.51	$ 12.36	$ 10.95	$ 12.01	$ 11.23	$ 12.00
Increase (decrease) from operations:						
Total revenue	0.50	0.92	0.84	0.82	0.83	0.02
Total expenses	(0.12)	(0.29)	(0.15)	(0.17)	(0.14)	(0.01)
Realized gains (losses)	0.25	0.24	0.53	(0.75)	0.39	-
Unrealized gains (losses)	0.58	0.20	0.79	(0.16)	0.43	(0.24)
Total increase (decrease) from operations [3]	1.21	1.07	2.01	(0.26)	1.51	(0.23)
Distributions:						
From net investment income (excluding dividends)	0.32	(0.59)	(0.60)	(0.41)	(0.76)	-
From net realized capital gains		(0.11)	-	-	(0.22)	-
From return of capital		(0.35)	(0.03)	(0.52)	-	-
Total annual distributions [4]	0.32	(1.05)	(0.63)	(0.93)	(0.98)	-
Net assets, end of period [2][5]	$ 13.41	$ 12.51	$ 12.33	$ 10.95	$ 12.01	$ 11.23

(1) *This information is derived from the Fund's unaudited financial statements as at June 30, 2014 and the audited annual financial statements as at December 31 of the year, with the exception of 2013 information, which was re-stated in accordance with IFRS requirements. For all prior years the financial statements of the Fund were prepared in accordance with Canadian GAAP applicable to public enterprises. Class A units list their initial offering price of $12.00 per unit as the opening net asset value although such units may not have actually been issued at the beginning of the year. The inception date for Class A units was December 18, 2009.*

(2) *The net assets per security presented in the financial statements differs from the net asset value calculated for Fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.*

(3) *Net assets per security and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the average number of units outstanding over the financial year.*

(4) *Distributions, if any, were paid in cash, reinvested in additional units of the Fund, or both.*

(5) *The Financial Highlights are not intended to act as a continuity of the opening and closing net assets per unit.*

Ratios and Supplemental Data

Class A

Period [1]	**2014** [1]	**2013**	**2012**	**2011**	**2010**	**2009** [2]
Net asset value (000's)	$ 105,768	$ 89,154	$ 79,366	$ 77,712	$ 54,429	$ 47,321
Number of units outstanding	7,886,122	7,126,722	6,419,709	7,076,807	4,519,435	4,200,000
Management expense ratio [3]	1.90%	2.35%	1.25%	1.41%	1.17%	2.87%
Management expense ratio before waivers or absorptions [4]	1.90%	2.35%	1.25%	1.41%	1.17%	2.87%
Trading expense ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate [5]	13.57%	23.25%	95.68%	176.07%	132.47%	0.43%
Closing Trading Price	$ 13.45	$ 13.98	$ 12.25	$ 11.60	$ 11.98	$ 11.94
Net asset value per unit, end of period	$ 13.41	$ 12.51	$ 12.36	$ 10.98	$ 12.04	$ 11.27

(1) *The information is provided for the period ended June 30, 2014*

(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 period and is expressed as an annualized percentage of daily average net assets during the period. 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, waived and/or absorbed 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 period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.*

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Management Fees

Ridgewood Capital Asset Management Inc. (the "Manager") is entitled to an annual management fee payable out of the assets of the Fund. The maximum management fee is equal to 0.50% (excluding HST) of the net asset value of the Fund. The Manager receives a fee based on the NAV of the Fund's units, accrued daily and payable monthly out of 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.

Past Performance

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

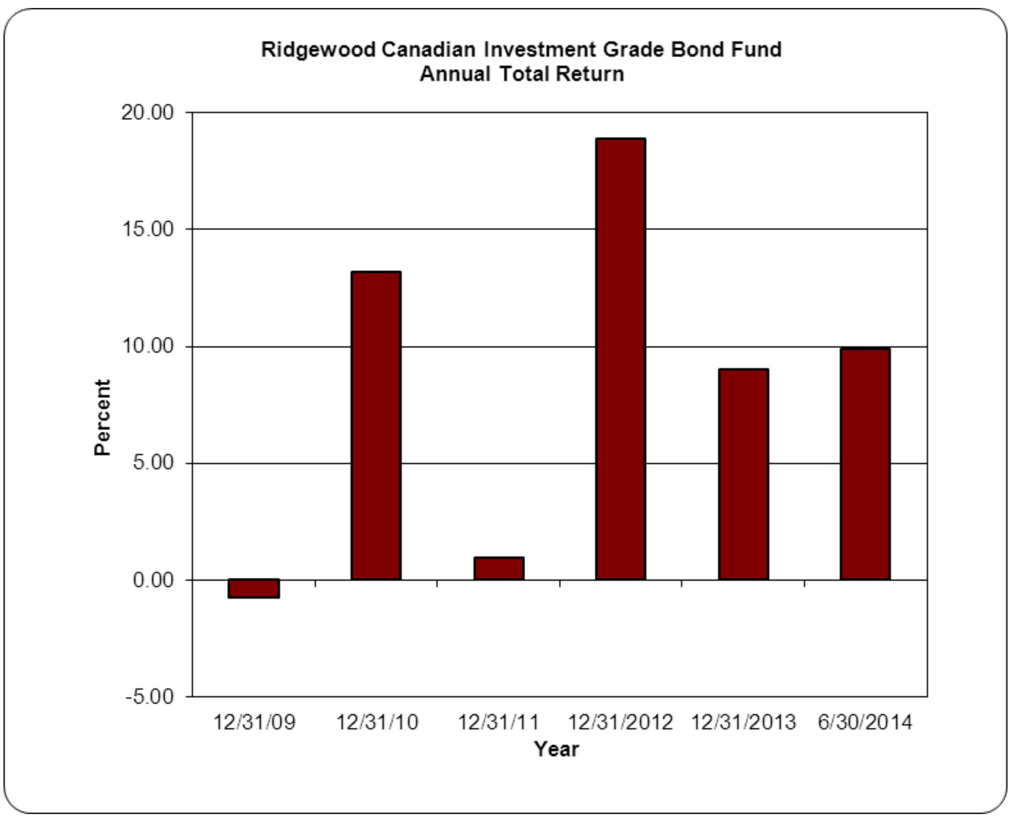
With respect to the charts displayed below, please note the following:

- the returns 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 year since the Fund's inception including the six month period ended June 30, 2014 has varied from period to period. The chart also shows, in percentage terms, how much an investment made on January 1 in each year would have increased or decreased by the end of that fiscal year, or June 30, 2014 for the six months then ended.

Annual Total Return



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Summary of Investment Portfolio

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

Asset Mix

June 30, 2014

	% of Total Portfolio
Corporate Bonds	100.0

Top 25 Holdings

	% of Total Net Asset Value
1. Sobeys Inc. 6.06%, 2035/10/29	4.9%
2. Transalta 5.00% 2020/11/25	4.6%
3. Citigroup 5.16%, 2022/05/24	4.5%
4. Merrill Lynch & Co, 5.29%, 2017/05/30	4.4%
5. Medavie Inc. 6.0%, 2024/05/21	4.3%
6. Citigroup Inc. 5.365% 2036/03/06	4.1%
7. Cominar REIT 4.23% 2019/12/04	3.8%
8. Institutional Mortgage Securities Canada Inc. 2012-2 D 2022/07/12	3.6%
9. Fairfax Financial 5.84% 2022/10/14	3.4%
10. Bell Aliant 6.17% 2037/02/26	3.4%
11. Equitable Group 5.399% 2017/10/23	3.3%
12. Brookfield Asset 4.82% 2026/01/28	3.2%
13. Merrill Lynch Financial Assets Inc., C23 D1 2017/08/12	3.2%
14. Merrill Lynch Financial Assets Inc. C19 D, 2016/06/12	3.2%
15. Merrill Lynch Financial Assets Inc., C22 D2017/05/12	3.2%
16. Shaw Communications Inc. 6.75%, 2039/11/01	3.0%
17. Bank of America FRN 2016/06/01	2.8%
18. CIBC Capital Trust 10.25% 2039/06/30	2.8%
19. Merrill Lynch Financial Assets Inc., C21 D 2017/01/12	2.6%
20. Schooner Trust 2007-8 E 2017/06/12	2.5%
21. Capital Power 5.276% 2020/11/16	2.3%
22. Cominar REIT 4.941% 2020/07/27	2.1%
23. Fairfax Financial 6.40% 2021/05/25	2.1%
24. Institutional Mortgage Securities Canada Inc. 2012-2 E (Restricted) 2022/07/12	2.1%
25. Institutional Mortgage Securities Canada Inc. Tranche D 2021/02/12	2.1%
Total	**81.5%**

Independent Review Committee

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

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

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.

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