SIMPLIFIED PROSPECTUS
DATED DECEMBER 21, 2017

Offering A, F, I and ETF securities of
REDWOOD EMERGING MARKETS DIVIDEND FUND

Offering A, F, A USD, F USD, I and ETF securities of
REDWOOD UNCONSTRAINED BOND FUND

Offering A, F and ETF securities of
REDWOOD BEHAVIOURAL OPPORTUNITIES FUND (formerly First Avenue Dividend Growers Class) [1]

Offering A, F, A USD, F USD and PHP securities of
REDWOOD PENSION CLASS[1]
REDWOOD GLOBAL TOTAL RETURN BOND PORTFOLIO

Offering A, A non-currency hedged, F, F non-currency hedged, ETF and ETF non-currency hedged securities of
REDWOOD U.S. PREFERRED SHARE FUND

(each, a "Fund" and collectively, the "Funds")

[1] A class of shares of Redwood Fund Corp., a mutual fund corporation

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The Funds and the securities of the Funds offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in such jurisdiction only in reliance upon exemptions from registration.

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PART A

INTRODUCTION

In this document, as the context requires:

“we”, “us”, “our”, “Redwood” and the “Manager” means Redwood Asset Management Inc., the manager of the Funds.

“A Securities” refers to : (i) class or series A units or shares, as applicable, that are offered by each Fund and are available to all investors; and (ii) class A non-currency hedged units that are offered by Redwood U.S. Preferred Share Fund and are available to all investors;.

“A USD Securities” refers to class or series A USD units or shares, as applicable, that are offered by Redwood Pension Class, Redwood Unconstrained Bond Fund and Redwood Global Total Return Bond Portfolio and which are available to all investors who purchase such Funds in US dollars.

“basket of securities” means a group of securities or assets determined by Redwood from time to time representing the constituent securities of a Fund that offers ETF Securities.

“CDS” means CDS Clearing and Depository Services Inc.

“CDS Participant” means a participant in CDS that holds ETF Securities of a Fund on behalf of beneficial owners of ETF Securities.

“constituent issuers” means, for each Fund, those issuers whose securities are included in the portfolio of the Fund from time to time.

“constituent securities” means, for each Fund, securities of the constituent issuers or, where applicable, derivatives such as options, futures, forward contracts and swaps.

“Corporate Fund” refers to a Fund that is a class of mutual fund shares of Redwood Corp. and which are Redwood Behavioural Opportunities Fund and Redwood Pension Class.

“Dealer” means a registered dealer (that may or may not be the designated broker for a Fund that offers ETF Securities), that has entered into a dealer agreement with Redwood, pursuant to which the dealer may subscribe for ETF Securities of a Fund.

“dealer agreement” means an agreement between Redwood, on behalf of one or more Funds, and a Dealer, as amended from time to time.

“designated broker” means a registered dealer that has entered into a designated broker agreement with Redwood, on behalf of a Fund pursuant to which the designated broker agrees to perform certain duties in relation to the ETF Securities of the Fund.

“designated broker agreement” means an agreement between Redwood, on behalf of a Fund that offers ETF Securities, and the designated broker, as amended from time to time.

“Designated Exchange” means, for a Fund that offers ETF Securities, the designated exchange on which the ETF Securities are listed.

“ETF” means an investment fund that is traded, like an individual stock, on a stock exchange. The securities within an ETF can cover various asset classes, geographic locations and economic sectors. Index based ETFs offer many of the same advantages of a mutual fund such as diversification and professional management but because they use indexing as their investment strategy, they also offer the benefits of indexing: lower operating costs and the potential for high tax efficiency. Index-based ETFs also differ from traditional mutual funds as they can be bought and sold at intraday prices rather than at end-of day prices.

“ETF Securities” refers to the: (i) ETF units or shares, as applicable, that are offered by Redwood Unconstrained Bond Fund, Redwood Emerging Markets Dividend Fund, Redwood Behavioural Opportunities Fund and Redwood U.S. Preferred Share Fund; and (ii) ETF non-currency hedged units that are offered by Redwood U.S. Preferred Share Fund.

“F Securities” refers to: (i) class or series F units or shares, as applicable, that are offered by each Fund and which are available to investors who participate in fee-based programs; and (ii) F non-currency hedged units that are offered by Redwood U.S. Preferred Share Fund and which are available to investors who participate in fee-based programs.

“F USD Securities” refers to class or series F USD units or shares, as applicable, that are offered by Redwood Pension Class, Redwood Unconstrained Bond Fund and Redwood Global Total Return Bond Portfolio and which are available to all investors who purchase such Funds in US dollars and who participate in fee-based programs.

“Fund” or “Funds” means one or more of the mutual funds offered under this simplified prospectus, namely, Redwood Pension Class, Redwood Emerging Markets Dividend Fund, Redwood Unconstrained Bond Fund, Redwood Behavioural Opportunities Fund, Redwood Global Total Return Bond Portfolio and Redwood U.S. Preferred Share Fund.

“I Securities” refers to class I units that are offered by Redwood Emerging Markets Dividend Fund and Redwood Unconstrained Bond Fund and which are available to investors that invest a minimum of $1,000,000 in such Funds, subject to the discretion of the Manager.

“index participation unit” or “IPU” under applicable Canadian mutual fund rules, is a security traded on a stock exchange in Canada or the United States that is issued by an issuer the only purpose of which is to: (a) hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in that index; or (b) invest in a manner that causes the issuer to replicate the performance of that index.

“Mutual Fund Securities” means the A Securities, A USD Securities, F Securities, F USD Securities PHP Securities and I Securities of a Fund, as applicable.

“PHP Securities” refers to class or series PHP units or shares, as applicable, that are offered by Redwood Pension Class and Redwood Global Total Return Bond Portfolio and are available to institutional investors and investors with large investments in either Fund, at the discretion of the Manager.

“Portfolio Advisor” means for a Fund, its portfolio advisor as described under the heading “*Organization and Management of the Funds - Portfolio Advisors and Sub-Advisors*” below.

“prescribed number of ETF Securities” means the number of ETF Securities of a Fund determined by Redwood from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

“Redwood Corp.” refers to Redwood Fund Corp. (formerly Ark Mutual Funds Ltd.), a mutual fund corporation governed by the laws of Ontario.

“Securities” refer to units or shares of a Fund, as applicable.

“Sub-Advisor” means for a Fund, as applicable its sub-advisor as described under the heading “*Organization and Management of the Funds - Portfolio Advisors and Sub-Advisors*” below.

“trading day” for a Fund means a day on which: (i) a regular session of the Designated Exchange on which its ETF Securities are listed is held; (ii) the primary market or exchange for the majority of the securities held by the Fund is open for trading; and (iii) if applicable, the index provider calculates and publishes data relating to the index.

“Trust Fund” refers to a Fund created as a trust and which are Redwood Emerging Markets Dividend Fund, Redwood Unconstrained Bond Fund, Redwood Global Total Return Bond Portfolio and Redwood U.S. Preferred Share Fund.

“You” refers to anyone who invests in the Funds.

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor. This document contains information about the Funds and the risks of investing in mutual funds generally, as well as the institutional names of those responsible for the management of each Fund.

This document is divided into two parts:

- Pages 3 to 44 contain general information about the Funds; and
- pages 45 to 73 contain specific information about the Funds.

Additional information about each Fund is available in the Fund’s Annual Information Form, the most recently filed Fund Facts (or, if applicable, the Fund’s most recently filed ETF Facts document), the most recently filed annual financial statements, any interim financial statements of the Funds filed after those annual financial statements, the most recently filed annual management report of fund performance (MRFP) and any interim MRFP filed after that annual MRFP.

These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You may obtain copies of these documents, upon request, and at no charge, by calling 416-304-6800 or 1-877-313-7011, from your dealer directly, via email at invest@redwoodasset.com or on our website at redwoodasset.com. These documents and other information about the Funds are also available at www.sedar.com.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is an investment vehicle that pools money of many individuals who have similar investment goals, and invests it in a variety of securities in an effort to achieve a specific investment objective over time. Individuals who contribute money become securityholders of the mutual fund and share the mutual fund’s income, expenses, gains and losses in proportion to the number of securities they own. The value of an investment in a mutual fund is realized upon redeeming the securities held. Mutual funds are managed by professional money managers who invest on behalf of the mutual fund’s securityholders as a group.

Mutual funds are available in many varieties that are designed to meet the differing needs of investors. A mutual fund may own different types of investments such as stocks, bonds, cash, derivatives or any combination of these investments, depending upon its investment objective.

The value of the investments held by a mutual fund will change from day to day, reflecting changes in interest rates or exchange rates, economic conditions, or news about the companies or other entities the mutual fund invests in. When the value of the investment changes, it can make the price of the mutual fund’s units or shares rise or fall and, when you redeem your investment in a mutual fund, its value may be more or less than when you purchased it.

How Mutual Funds are Structured

A mutual fund can be set up as a mutual fund trust or as a mutual fund corporation. Both allow you to pool your money with other investors, but there are some differences. When you invest in a mutual fund trust, you buy units of a trust. When you invest in a mutual fund corporation, you buy shares of a corporation. A mutual fund corporation can issue several classes of shares. Simply put, each share class works like a separate mutual fund with its own investment objective.

The main difference between an investment in a mutual fund trust and an investment in a mutual fund corporation is how your investment is taxed. A mutual fund corporation distributes its earnings by declaring ordinary dividends or capital gains dividends. A mutual fund trust distributes all of its income and sufficient net realized capital gains so that the fund will not be subject to tax. These distributions to securityholders generally will retain the same character for tax purposes (i.e. income or capital gain) as experienced by the mutual fund trust.

What are the Risks of Investing in a Mutual Fund?

Investors should take into account that the value of these investments will change from day to day, reflecting changes in numerous factors, including interest rates, exchange rates, economic conditions, markets and company news. As a result, the value of a mutual fund's shares may go up or down, and the value of your investment in a mutual fund may be worth more or less upon redemption than when the shares were first purchased.

Risk varies from one mutual fund to another. You can measure risk by how often the mutual fund's value changes and how big the changes tend to be. This is called volatility.

Every individual has a different tolerance for risk. Some investors are more conservative than others. It is important to evaluate your personal tolerance for risk, as well as the amount of risk suitable for your financial goals and time horizon, when making investment decisions.

Every mutual fund has a different degree of volatility, which depends largely on the securities in which the mutual fund invests. For example, if a mutual fund invests only in interest-paying money market instruments offered by the Canadian government, it will be subject to very little volatility. That's because the government guarantees to pay a certain interest rate and there's little chance it will fail to keep its promise. On the other hand, some mutual funds invest heavily in technology stocks. Technology stocks can have frequent, large changes in value as their products go in and out of favour, so mutual funds that invest mostly in technology stocks can be quite volatile.

Risk is the chance that your investment may not perform as expected over a certain period of time. Investment risk represents the chance of investment loss. There are different degrees and types of risks but, in general, the more risk you are willing to accept as an investor, the higher the potential returns and the greater the potential losses. Mutual funds that invest in highly liquid, short-term securities, such as treasury bills, usually offer the lowest risk because their potential returns are tied to short-term interest rates. Mutual funds that invest mainly in bonds typically have higher long-term returns, but they carry more risk because their prices can change when interest rates change. Mutual funds that invest in equity securities expose investors to the highest level of risk because the prices of these securities can rise and fall significantly in a short period of time. The key to reducing the overall volatility of your portfolio is to hold a wide variety of investments.

Fluctuation

Mutual funds own different types of investments, depending upon their investment objectives. Like all investments, mutual funds involve risk. Changes in interest rates, economic and stock market conditions or new company information, for example, may influence the value of securities held by a mutual fund. The price of a Mutual Fund Security will generally vary with the value of the securities it holds. When you redeem mutual fund securities, their value may be less than your original investment. Changes in rates and market conditions may also cause the value of securities of the mutual fund to change from day to day.

The net asset value ("NAV") of a fund is determined by subtracting a mutual fund's liabilities from its total assets (which include the cash and securities in its portfolio). By dividing this figure (net assets) by the total number of shares outstanding in the fund, one arrives at the NAV per share for the mutual fund. The NAV of a fund, and the price of your shares, will fluctuate with changes in the market value of the fund's particular investments. As a result, the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

Your investment is not guaranteed

There is no guarantee that the full amount of your original investment in a Fund will be returned to you. The value of your investment in a Fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual funds are not covered by the Canadian Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a Fund may suspend redemptions. Please see "Redemptions" below for more information.

GENERAL INVESTMENT RISKS

Listed below are some risks that can affect the value of an investment in a Fund. For information on the material risks applicable to each Fund, see the "What are the Risks of Investing in the Fund" section of each Fund in Part B of this simplified prospectus.

In addition, each Fund may use foreign sub-advisors. Foreign sub-advisors may not be fully subject to the requirements of the *Securities Act* (Ontario) and regulations concerning proficiency, capital, insurance, record keeping, statements of account and portfolio and conflicts of interest. There may be difficulty in enforcing any legal rights against foreign sub-advisors because they are resident outside Canada and all or a substantial portion of their assets are located outside Canada. If we use a foreign sub-advisor that is not registered with the Ontario Securities Commission as an advisor, we assume responsibility for their investment decisions.

Absence of an active market for the ETF Securities

Although the ETF Securities are or will be listed on a Designated Exchange, there can be no assurance that an active public market for the ETF Securities will develop or be sustained.

Asset-Backed and Mortgage-Backed Securities Risk

Certain mutual funds may invest in asset-backed and mortgage-backed securities. Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. If there are changes in the market's perception of the issuers of these types of securities, or in the creditworthiness of the parties involved, then the value of the securities may be affected. In the use of mortgage-backed securities, there is also a risk that there may be a drop in the interest rates charged on mortgages, a mortgagor may default in its obligations under a mortgage or there may be a drop in the value of the property secured by the mortgage.

Calculation and Termination of the Indices Risk

If the Fund invests in ETFs that track a published index, if the computer or other facilities of the index providers or a stock exchange malfunction for any reason, calculation of the value of the indices and the determination by the manager of the prescribed number of units or shares and baskets of securities may be delayed and trading in units or shares of an ETF in a Fund's portfolio may be suspended for a period of time. In the event that an index provider ceases to calculate the indices or the license agreement with the manager of an ETF is terminated, the manager of the ETF may terminate the relevant ETF, change the investment objective of the ETF or seek to replicate an alternative index (subject to investor approval in accordance with the ETF's constating documents), or make such other arrangements as the manager determines.

Capital Depreciation Risk

The Securities of some Funds aim to make regular cash distributions. Such regular distributions may include returns of capital. Also, distributions of cash will reduce the NAV of a Fund which may reduce the Fund's ability to generate future income.

Cease Trading of Constituent Securities Risk

If the Fund invests in ETFs that track a published index, if constituent securities are cease-traded at any time, by a securities regulatory authority or other relevant regulator or stock exchange, Redwood may suspend the exchange or redemption of securities until such time as the transfer of the securities is permitted by law.

In addition, if a Fund invests in ETFs that track a published index, if constituent securities of the indices are cease traded at any time by order of a stock exchange, a securities regulatory authority or other relevant regulator, the manager of the ETF may suspend the exchange or redemption of units or shares of the ETF until such time as the transfer of the securities is permitted by law.

Changes in Legislation Risk

There can be no assurance that tax, securities or other laws will not be changed in a manner that adversely affects the Funds, their securityholders or distributions received by the Funds or their securityholders.

Class Risk

Redwood Pension Class and Redwood Behavioural Opportunities Fund are separate classes of securities of Redwood Corp. Each class of securities of Redwood Corp. has its own investment objective and fees, expenses, and liabilities, including tax liabilities and reassessment, if any, which are allocated to it and tracked separately. As a result, the liabilities of each class are liabilities of Redwood Corp. If one of these Corporate Funds is unable to pay the liabilities attributable to that Corporate Fund, Redwood Corp. may be required to use the assets of another Corporate Fund to pay those liabilities. As a result, the value of such other Corporate Fund(s) may be adversely affected.

A mutual fund corporation, like a mutual fund trust, is permitted to flow through certain income to investors in the form of dividends rather than distributions. These are capital gains and dividends from taxable Canadian corporations. However, unlike a mutual fund trust, a mutual fund corporation cannot flow through other income including interest, trust income, foreign source dividends and certain income from derivatives. If this type of income, calculated for the corporation as a whole, is greater than the expenses of the corporation and other tax deductible amounts, then the corporation would become taxable. We track the income and expenses of each Corporate Fund separately so that if the corporation becomes taxable, we would have the ability (although we would not be obligated) to allocate the tax to those Corporate Funds whose taxable income exceeded expenses.

If a Corporate Fund becomes taxable, this could be disadvantageous for two types of investors: investors in a Registered Plan (as defined below) and investors with a lower marginal tax rate than the Corporate Fund. Investors in Registered Plans do not immediately pay income tax on income received, so if a Corporate Fund earned income that is subject to tax, only the after-tax amount could be distributed. As a result, the Registered Plan will pay the income tax indirectly on such income. The corporate tax rate applicable to mutual fund corporations is higher than some personal income tax rates, depending on the province in which you live and your marginal tax rate. As such, if the income is taxed inside the corporation rather than distributed to you on a flow-through basis (and you pay the tax), you may indirectly pay a higher rate of tax on that income than you otherwise might.

Collateral Risk

Changes in the credit and interest rate risks associated with collateral securities may impact the value of the collateral securing a loan. The collateral value may decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. As a result, a loan may not be fully collateralized and can decline significantly in value which may negatively affect a Fund.

Commodity Risk

Some mutual funds invest indirectly in physical commodities, including precious metals (such as gold, silver, platinum and palladium), energy (such as crude oil, gasoline, heating oil and natural gas), industrial metals (such as aluminum, copper, nickel and zinc), livestock (such as hogs and cattle) and agricultural products (such as coffee, corn, cotton, livestock, soybeans, soybean oil, sugar and wheat). To obtain exposure to these commodities, the mutual fund may invest in exchange-traded funds that hold, or obtain exposure to, one or more physical commodities (Commodity ETFs) and seek to replicate the performance of a physical commodity. The mutual fund also may invest in companies involved in commodity sectors. Mutual funds exposed to commodities will be affected by changes in the prices of the commodities, which can fluctuate significantly in short time periods, causing volatility in the mutual fund’s net asset value. Commodity prices can change as a result of a number of factors, including supply and demand, speculation, central bank and international monetary activities, political or economic instability, changes in interest rates and currency values, new discoveries or changes in government regulations affecting commodities.

Concentration Risk

Some mutual funds concentrate their investment holdings in specialized industries, market sectors, asset classes or in a limited number of issuers. Investments in these mutual funds involve greater risk and volatility than broadly based investment portfolios since the performance of one particular industry, market, asset class or issuer could significantly and adversely affect the overall performance of the entire mutual fund. A Fund may also have a significant portion of its portfolio invested in the securities of a single issuer. A relatively high concentration of assets in a single or small number of investments may reduce the diversification and liquidity of such Fund.

Conflicts of Interest Risk

The services to be provided or caused to be provided by the Manager, the Portfolio Advisors and the Sub-Advisors are not exclusive to the Funds. Neither the Manager, the Portfolio Advisors nor the Sub-Advisors are prevented from offering their services to other funds, some of which may invest primarily in the same securities as a Fund from time to time invests and which may be considered competitors of such Fund.

In addition, the directors and officers of the Manager, the Portfolio Advisors or the Sub-Advisors or their respective affiliates may be directors, officers, shareholders or unitholders of one or more issuers in which a Fund may acquire securities or of corporations which act as the manager of other funds that invest primarily in the same securities as a Fund from time to time invests and which may be considered competitors of such Fund. The Manager or its affiliates may be managers or portfolio managers of one or more issuers in which a Fund may acquire securities.

Credit Default Swaps Risk

Credit default swaps and related instruments, such as credit default swap index products, may involve greater risks than if the Fund invested in the reference obligation directly. These instruments are subject to general market risks, liquidity risks and credit risks, and may result in a loss of value to the Fund. The credit default swap market may be subject to additional regulations in the future.

Credit Ratings Risk

Ratings by nationally recognized ratings agencies generally represent the agencies' opinion of the credit quality of an issuer and may prove to be inaccurate.

Credit Risk

Credit risk is the possibility that a borrower, or the counterparty to a derivatives contract, is unable or unwilling to repay the loan or obligation, either on time or at all. Debt securities issued by companies or governments in emerging markets often have higher credit risk (a lower credit rating assigned by specialized credit rating agencies), while debt securities issued by well-established companies or by governments of developed countries tend to have lower credit risk (a higher credit rating). A downgrade in an issuer's credit rating can negatively affect a debt security's market value. Other factors can also influence a debt security's market value, such as the level of liquidity of the security and a change in the market perception of the creditworthiness of the security. Lower rated and unrated debt instruments generally offer a better return than higher grade debt instruments but have the potential for substantial loss if the borrower defaults on payment. Funds that invest in companies or markets with higher credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

Currency Risk

If a Fund invests directly in foreign (non-Canadian) currencies or in securities that trade in, and receive revenues in, foreign currencies, or in derivatives that provide exposure to foreign currencies, it will be subject to the risk that those currencies will decline in value relative to the Canadian dollar, and, in the case of hedging positions, that the Canadian dollar will decline in value relative to the currency being hedged.

Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons. As a result, a Fund's investments in foreign currency denominated securities may reduce the returns of the Fund.

A portion of the foreign currency exposure within the portfolio of a Fund may be hedged back to the Canadian dollar by using derivatives, including currency forward contracts, in accordance with the investment objectives and investment strategies of the Fund. ***However with respect to the ETF non-currency hedged units, A non-currency hedged units and F non-currency hedged units of Redwood U.S. Preferred Share Fund, the foreign currency exposure of the portion of the portfolio attributable to such Securities will not be hedged back to the Canadian dollar***.

You may purchase A non-currency hedged units and F non-currency hedged units of Redwood U.S. Preferred Share Fund in U.S. dollars under the U.S. dollar purchase option. ETF non-currency hedged units of Redwood U.S. Preferred Share Fund are also offered in U.S. dollars under a separate, U.S. dollar denominated, ticker symbol on the Designated Exchange. The U.S. dollar purchase option is offered only as a convenience for investors and does not act as a currency hedge between the Canadian dollar and the U.S. dollar.

Debt Securities risk

Investments in debt securities are subject to certain general investment risks in a manner similar to their effect on equity investments. In addition to credit risk and interest rate risk described elsewhere in this document, a number of factors may cause the price of a debt security to decline. For investments in corporate debt securities, this includes specific developments relating to the company and general financial, political and economic (other than interest rate) conditions in the country in which the company operates. For government debt securities, this includes general economic, financial and political conditions. The market value of a Fund is affected by changes in the prices of the debt securities it holds.

Derivatives Risk

A derivative is a type of investment whose value is derived from the performance of other investments or from the movement of interest rates, exchange rates or market indices. As long as their use is consistent with an individual Fund's investment objectives, the Fund may use derivatives to limit or hedge potential gains or losses caused by changes in exchange rates, share prices or interest rates. The Funds may also use derivatives for non-hedging purposes, such as reducing transaction costs, increasing liquidity, gaining exposure to financial markets or increasing speed and flexibility in making portfolio changes. If a Fund uses derivatives, securities regulations requires that the Fund hold enough assets or cash to cover its commitments in the derivative contracts. This limits the amount of losses that could result from the use of derivatives.

There are many different types of derivatives. They usually take the form of a contract to buy or sell a specific commodity, currency or security or market index. The most common types of derivatives are:

- **Futures or forward contract**. These types of contract are agreements made today to buy or sell a particular currency, security or market index on a specific day in the future at a specified price.
- **Option contract**. This type of contract gives the buyer the right, but not the obligation, to buy or sell certain securities within a certain time period at a specified price.
- **Swap agreement**. This type of agreement is a negotiated contract between parties agreeing to exchange payments based on returns of different investments. The most common type is an interest rate swap. Under an interest rate swap, Party A agrees to pay Party B a fixed amount based on a pre-set interest rate. In return, Party B agrees to pay Party A a floating amount based on a reference rate such as bankers acceptances or the London Inter-Bank Offered Rate.

Any use of derivatives has risks. Some of these risks are set forth below.

(a) The hedging strategy may not be effective in preventing losses. The hedging strategy may also reduce the opportunity for gains due to the cost of the hedge and the nature of the derivative.

(b) There is no guarantee a market for the derivative contract will exist when a Fund wants to buy or sell.

(c) There is no guarantee that the Fund will be able to find an acceptable counterparty willing to enter into a derivative contract.

(d) The counterparty to the derivative contract may not be able to meet its obligations.

(e) A large percentage of the assets of a Fund may be placed on deposit with one or more counterparties which would expose the fund to the credit risk of those counterparties.

(f) Securities exchanges may set daily trading limits or halt trading which would prevent a Fund from being able to sell a particular derivative contract.

(g) The price of a derivative may not accurately reflect the value of the underlying asset.

Emerging Markets Risk

In emerging market countries, securities markets may be smaller than in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. Companies in these markets may have limited product lines, markets or resources, making it difficult to measure the value of the company. Political instability and possible corruption, as well as lower standards of regulation for business practices, increase the possibility of fraud and other legal problems. The value of investments in these countries may rise and fall substantially.

Equity Risk

Equities such as common shares give the holder part ownership in a company. The value of an equity security changes with the fortunes of the company that issued it. General market conditions and the health of the economy as a whole can also affect equity prices. Equity related securities that provide indirect exposure to the equity securities of an issuer, such as convertible debentures, can also be affected by equity risk.

Dividends on common shares are not fixed but are declared at the discretion of an issuer's board of directors. There is no guarantee that the issuers of the common shares in which the fund invests will declare dividends in the future or that if declared they will remain at current levels or increase over time.

Financial Sector Issuer Risk

Some Funds' portfolios may be concentrated in the financial services sector. A financial services company is one that is primarily involved in banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance or financial investments. This may make a Fund more susceptible to adverse economic or regulatory occurrences affecting this sector. Concentration of investments in financial services companies include the following risks: (a) financial services companies may suffer a setback if regulators change the rules under which they operate; (b) unstable interest rates can have a disproportionate effect on the financial services sector; (c) financial services companies whose securities the Fund may purchase may themselves have concentrated portfolios, such as a high level of loans to real estate developers, which makes them vulnerable to economic conditions that affect that sector; (d) financial services companies have been affected by increased competition, which could adversely affect the profitability or viability of such companies; and (e) financial services companies have been significantly and negatively affected by the downturn in the subprime mortgage lending markets and the resulting impact on the world's economies.

The NAV of a Fund that invests in the financial sector may therefore be more volatile than the net asset value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative effect on the value of its Securities and the Fund's objectives. The value of such securities and the operations and profitability of such issuers will be affected by Canadian, U.S. and global economic and political factors such as unemployment, the amount of consumer spending, business investment, government spending, the volatility and strength of Canadian, U.S. and global capital markets, political instability and inflation. Any downturn in the Canadian, U.S. or global economies or political instability, which may result in higher unemployment, lower family income, lower corporate earnings, lower business investment and/or lower consumer spending, may adversely impact the performance and/or financial condition of the issuers whose securities comprise a Fund's portfolio and its NAV.

ETF Risk

Certain mutual funds may invest in exchange-traded funds (ETFs) which qualify as index participation units under mutual fund rules. ETFs whose securities qualify as IPUs seek to provide returns similar to the performance of a particular market index or industry sector index. ETFs may not achieve the same return as their benchmark market or industry sector indices due to differences in the actual weights of securities held in the ETF versus the weights in the relevant index (any such differences are usually small) and due to the operating and management expenses of the ETFs.

The Funds may also rely on exemptive relief to invest in additional types of ETFs managed by an affiliate of Redwood and whose securities do not constitute IPUs. Please see "Investments in ETFs" on page 47 in "Specific Information About Each of the Funds Described in This Document", below.

Fixed Income Security Risk

Certain mutual funds' investments are subject to the risks inherent in individual fixed income security selections. Yields and principal values of debt securities (bonds) will fluctuate. Generally, values of debt securities change inversely with interest rates. As interest rates go up, the value of debt securities tends to go down. As a result, the value of the Fund may go down. Furthermore, these fluctuations tend to increase as a fixed income security's time to maturity increases, so a longer-term fixed income security will decrease more for a given increase in interest rates than a shorter-term fixed income security. Fixed income securities may also be affected by changes in the credit rating or financial condition of their issuers.

High Yield Security Risk

High yield securities involve greater risk than investment grade securities, including the possibility of default or bankruptcy. They tend to be more sensitive to economic conditions than higher-rated debt securities and, as a result, are generally more sensitive to credit risk than securities in the higher-rated categories. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments. Periods of economic uncertainty generally result in increased volatility in the market prices of these securities.

Illiquid Securities Risk

If a Fund is unable to dispose of some or all of the securities held by it, that Fund may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities or may be able to do so only at prices which may not reflect the true value of such investments. Likewise, if certain securities are particularly illiquid, the Manager may be unable to acquire the number of securities it would like to at a price acceptable to the Manager on a timely basis.

Income Risks

The Fund's income could decline due to falling market interest rates. In a falling interest rate environment, the Fund may be required to invest its assets in lower-yielding securities.

Inflation Risk

Mutual funds are investment vehicles which generally have a long-term horizon. Many investors use them for retirement purposes. As a result of the long-term outlook for a mutual fund investment, the effects of inflation could significantly erode the value of an investor's money over time. Managing inflation risks may involve creating a diversified mix of investments with emphasis on equity securities, which have historically out-performed all other types of investments over the long-term.

Interest Rate Risk

The value of a Fund that holds fixed-income securities (or debt) will rise and fall as interest rates change. When interest rates fall, the value of an existing fixed-income security will rise. When interest rates rise, the value of an existing fixed-income security will fall. The value of fixed-income securities that pay a variable (or “floating”) rate of interest is generally less sensitive to interest rate changes.

Income Trust Risk

Income trusts generally hold debt and/or equity securities of an underlying active business or are entitled to receive a royalty on revenues generated by such business. Funds that invest in income trusts such as oil, gas and other commodity-based royalty trusts, real estate investment trusts and pipeline and power trusts will have varying degrees of risk depending on its sector and the underlying asset or business. Returns on income trusts are neither fixed nor guaranteed. Typically, trust securities are more volatile than bonds (corporate and government) and preferred securities. Many of the income trusts that a Fund invests in are governed by laws of a province of Canada or of a state of the United States which limit the liability of unitholders of the income trust from a particular date. A Fund may, however, also invest in income trusts in Canada, the U.S. and other countries that are not governed by similar laws. There is a risk that unitholders of an income trust, including a Fund, could be held liable for any claims against the income trust that are not governed by these laws. Income trusts generally try to minimize this risk by including provisions in their agreements that their obligations won’t be personally binding on unitholders, including a Fund. However, the income trust may still have exposure to other legal liabilities.

International Investing Risk

International investing poses additional risks. If a security owned by a Fund is denominated in a foreign currency, the value of the foreign currency may fluctuate relative to the Canadian dollar and cause a loss to the Fund. International markets may be subject to political instability, which may make foreign investments more volatile than investments in domestic markets. International markets are not always as liquid as in Canada, sometimes making it harder to sell a security. In addition, foreign companies may not be subject to comparable accounting, auditing and financial reporting standards as Canadian companies, and therefore, information about the foreign companies may not be readily available.

To the extent a Fund invests a significant portion of its assets in a single country or region, the Fund may be subject to increased risk associated with the country or region. The risks of investing in foreign securities may be increased if the investments are located in developing countries or emerging markets. Security prices in emerging markets can be significantly more volatile than those in more developed markets, reflecting the greater uncertainties of investing in less established markets and economies. These risks are inherently passed on to the company’s shareholders, including the Fund, and in turn, to the Fund’s shareholders.

As markets become more globalized, many North American companies are increasing international business operations and are subject to international investing risks. The Funds may are subject to some degree of international risk as a result of these holding large North American with direct or indirect interests in foreign companies (typically large multi-national companies).

Issuer Risk

The risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer’s goods or services.

Large Redemption Risk

A Fund may have particular investors who hold a significant amount of securities of the Fund. If one of those investors decides to redeem its investment in the Fund, the Fund may have to sell portfolio investments so that it can pay the redemption proceeds and may realize capital gains (or capital losses) and may incur other transaction costs in the process of making the redemption. These investments may have to be sold quickly and at a lower price than if they were sold over a more extended time period. In addition, the portfolio composition of the Fund could be altered before the Portfolio Advisor believes the time is right to do so. This can reduce the Fund’s returns.

Legal Risk

Companies that provide products or services to consumers may face the financial risk from uncertainty in laws, regulations or legal actions.

Liquidity Risk

A liquid asset trades on an organized market, such as a stock exchange, which provides price quotations for the asset. The use of an organized market means that it should be possible to convert the asset to cash at, or close to, the quoted price or the price used to calculate the Fund's net asset value.

An asset is considered illiquid if it is more difficult to convert it to a liquid investment such as cash. A company's securities may be illiquid if the company is not well known, there are few outstanding shares of that company, there are few potential buyers or the shares of that company cannot be resold because of a promise or agreement.

Also, in highly volatile markets, securities, especially debt securities, that were considered liquid may suddenly and unexpectedly become illiquid.

The value of a Fund that holds illiquid securities may rise and fall substantially because the Fund may not be able to sell the securities for the value that we use in calculating the net asset value of the Fund. There are restrictions on the amount of illiquid securities a Fund may hold.

Market Risk

The value of equity securities will change based on specific company developments and stock market conditions. Market value also varies with changes in the general economic and financial conditions in countries where investments are made.

Maturity Risk

A Fund may invest in fixed income securities of varying maturities. Generally, the longer a fixed income security's maturity, the greater the risk. Conversely, the shorter a fixed income security's maturity, the lower the risk.

Multi-Class/Series Risk

Each of the Funds offer more than one class or series of Securities. Each class or series of a Fund has its own fees and expenses which the Funds track separately. If a Fund cannot pay the expenses of one class or series using that series' or classes' proportionate share of the assets of the Fund, the Fund will have to pay those expenses out of the other series' or classes' proportionate share of the assets, which would lower the investment return of those other series or classes. This is because a mutual fund as a whole is legally responsible for the financial obligations of all of its series/classes.

No Ownership Interest Risk

An investment in Securities of a Fund does not constitute an investment in the securities comprising the Fund's portfolio. Fund securityholders will not own the securities held by the Fund.

Portfolio Turnover Risk

Since portfolio turnover may involve paying brokerage commissions and other transaction costs, higher turnover generally results in additional expenses. High rates of portfolio turnover may lower the performance of a Fund due to these increased costs and may also result in the realization of short-term capital gains.

Preferred Securities Risk

A Fund that invests in preferred securities will be subject to the risks inherent in investment in preferred securities, including the risk that the financial condition of the issuers in which the Fund invests may become impaired or that the general condition of the stock markets may deteriorate.

Preferred securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in, and perceptions of, the issuers change.

There are specific risks associated with investing in preferred securities, including: liquidity risk, regulatory risk, and credit risk (each as separately described herein). In addition:

- Generally, preferred security holders have limited voting rights.

- Preferred securities and debt instruments may be subject to early redemption. That is they may be redeemed at the option of the issuer, or "called," before their stated maturity date. A Fund investing in preferred securities is therefore subject to the possibility that during periods of falling interest rates, an issuer will call its high-yielding preferred securities or debt instruments. The Fund would then be forced to invest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund's income.

- Generally, preferred securities may be subject to provisions that allow an issuer, under certain conditions, to skip ("non-cumulative" preferred securities) or defer ("cumulative" preferred securities) distributions. If a Fund owns a preferred security that is deferring its distribution, the Fund may be required to report income for tax purposes while it is not receiving any corresponding cash.

- Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure and therefore are subject to greater credit risk than those debt instruments.

- Holders of preferred securities could become holders of common shares of issuers at a time when such issuer's financial condition is deteriorating or when it has become insolvent or bankrupt or resolved to be wound-up or has been ordered wound-up or liquidated. There can be no guarantee that the common shares issued in such circumstances will pay a dividend, appreciate, or that there will be a liquid market for such common shares.

Real Estate Risk

In addition to general market conditions, the value of a mutual fund which invests in securities in the real estate sector will be affected by the strength of the real estate markets. Factors that could affect the value of such a fund's holdings include the following:

- Overbuilding and increased competition
- Increases in property taxes and operating expenses
- Declines in the value of real estate
- Lack of availability of equity and debt financing to refinance maturing debt
- Vacancies due to economic conditions and tenant bankruptcies
- Losses due to costs resulting from environmental contamination and its related clean-up
- Changes in interest rates
- Changes in zoning laws
- Casualty or condemnation losses
- Variations in rental income
- Changes in neighbourhood values and
- Functional obsolescence and appeal of properties to tenants

Rebalancing and Adjustment Risk

Adjustments to baskets of securities held by a Fund that offers ETF Securities to reflect rebalancing of and adjustments to the strategies may depend on the ability of Redwood and the designated broker to perform their respective obligations under the designated broker agreement. If the designated broker fails to perform, such a Fund may be required to sell or purchase, as the case may be, constituent securities of the baskets of securities in the market. If this happens, such Fund would incur additional transaction costs.

Regulatory Risk

Regulatory risk is the potential revenue impact on a company due to laws, regulation and policies of regulatory agencies. Governmental or regulatory permits and approvals may be required to proceed with planned projects. Any delay or failure in achieving the required permits or approvals would reduce the company's growth prospects and, in turn, the value of a Fund that invests in such companies.

Reliance on the Manager, Portfolio Advisor and Sub-Advisor Risk

Each of the Manager, Portfolio Advisors and Sub-Advisors will provide investment advice regarding the Funds' portfolios in a manner consistent with the Funds' investment objectives, strategies and restrictions. Although the employees of the Manager, Portfolio Advisors and Sub-Advisors who will be primarily responsible for providing such advice have extensive experience in managing investment portfolios, there is no certainty that such individuals will continue to be employees of the Manager, Portfolio Advisors and Sub-Advisors throughout the life of the Funds or that the Manager, Portfolio Advisors and Sub-Advisors, as applicable, will continue to be engaged by the Funds.

Securities Lending and Repurchase and Reverse Repurchase Transaction Risk

Mutual funds may engage in securities lending, repurchase and reverse repurchase transactions. A securities lending transaction is where a fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the fund at a later date an equal number of the same securities and to pay a fee to the fund for borrowing the securities. While the securities are borrowed, the borrower provides the fund with collateral consisting of a combination of cash and securities. In this way, the fund retains exposure to changes in the value of the borrowed securities while earning additional fees.

A repurchase transaction is where a fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price using the cash received by the fund from the third party. While the fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction.

A reverse repurchase transaction is where a fund purchases certain types of debt securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the fund's purchase price for the debt instruments and the resale price provides the fund with additional income.

The risks associated with securities lending, repurchase or reverse repurchase transactions arise when a counterparty defaults under the agreement evidencing the transaction and the mutual fund is forced to make a claim in order to recover its investment. In a securities lending or a repurchase transaction, a mutual fund could incur a loss if the value of the securities loaned or sold has increased in value relative to the value of the collateral held by the mutual fund. In the case of a reverse repurchase transaction, a mutual fund could incur a loss if the value of the securities purchased by the mutual fund decreases in value relative to the value of the collateral held by the mutual fund.

To limit these risks:

- the collateral held by the mutual fund must equal at least 102% of the market value of the security sold, loaned or cash paid (the collateral is adjusted on each business day to ensure that this value is maintained)
- the collateral to be held may consist of cash, qualified securities or securities that can be immediately converted into securities that are on loan
- repurchase transactions and securities lending agreements are limited to 50% of a mutual fund's assets. Collateral held for loaned securities and cash paid for received securities are not included when making this calculation.

Short Selling Risk

The Funds may engage in a limited amount of short selling. A "short sale" is where a Fund borrows securities from a lender, which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows securities and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any interest the Fund is required to pay to the lender). Short selling involves certain risks. There is no assurance that securities will decline in value during the period of the short sale sufficient to offset the interest paid by the Fund and make a profit for the Fund, and securities sold short may instead appreciate in value. The Fund may also experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender from whom the Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender. Each Fund that engages in short selling will adhere to controls and limits that are intended to offset these risks by short selling only those securities of larger issuers for which a liquid market is expected to be maintained and by limiting the amount of exposure for short sales. The Funds will also deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits.

Small Company Risk

A Fund's portfolio may be invested in securities of small capitalization companies. The share price of smaller companies is usually more volatile than that of more established, larger companies. Smaller companies may be developing new products which have not yet been tested in the marketplace or their products may quickly become obsolete. They may have limited resources, including limited access to funds or unproven management, and their shares may trade less frequently and in smaller volumes than shares of larger companies. They may have few shares outstanding so a sale or purchase of shares may have a greater impact on the share price. The value of these investments may rise and fall substantially.

Specialization Risk

Some Funds invest primarily in companies in particular industries or particular geographic areas of the world, which may entail greater risk (and potential reward) than investing in all industries or geographic areas. If the particular industry or geographic region prospers, the outlook for companies in the industry or geographic region will generally increase, as will the value of the Funds that invest in them. Conversely, if the particular industry or geographic region experiences a downturn, the outlook for companies in the industry or geographic region will generally decline, as will the value of the Funds that invest in them.

Substantial Securityholder Risk

A Fund may have one or more substantial investors who hold a significant amount of securities of the Fund. If a substantial investor decides to redeem its investment in a Fund, the Fund may be forced to sell its investments at an unfavourable market price in order to accommodate such request. The Fund may also be forced to change the composition of its portfolio significantly. Such actions may result in considerable price fluctuations to the Fund's net asset value and negatively impact on its returns. Such risk is higher where a substantial securityholder engages in short term trading or excessive trading. The Funds do, however, have policies and procedures designed to monitor, detect and deter inappropriate short-term or excessive trading. See "*Short-term trading*".

Tax Risk

There can be no assurance that the tax laws applicable to the Funds under the *Income Tax Act* (Canada) (the "Tax Act") or under foreign tax regimes, or the administration thereof, will not be changed in a manner which could adversely affect the Funds or securityholders.

If Redwood Corp. ceases to qualify as a "mutual fund corporation" under the Tax Act, or if a Trust Fund does not or ceases to qualify as a "mutual fund trust" under the Tax Act, the income tax considerations described in "Income Tax considerations for Investors" would be materially and adversely different in certain respects.

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency respecting the treatment of mutual fund corporations or mutual fund trusts will not be changed in a manner that adversely affects a Fund or its securityholders. For example, changes to tax legislation or the administration thereof could affect the taxation of a Fund or the constituent issuers in a Fund's portfolio.

The Tax Act contains tax loss restriction rules that apply to trusts such as a Trust Fund. These loss restriction rules generally apply at any time when any person, together with other persons with whom that person is affiliated within the meaning of the Tax Act, or any group of persons acting in concert, acquires Securities of a Trust Fund having a fair market value that is greater than 50% of the fair market value of all the Securities of a Trust Fund. If such circumstances occur, a Trust Fund will have a deemed taxation year end and any undistributed income and realized capital gains (net of any applicable losses) would be expected to be made payable to all Securityholders of a Trust Fund as a distribution on their Securities (or tax thereon paid by a Trust Fund in respect of such year). Accordingly, in such event, distributions on the Securities in the form of Securities (which will be automatically consolidated) and/or cash may be declared and paid to Securityholders. In addition, accrued capital losses and certain other realized losses of a Trust Fund would be unavailable for use by a Trust Fund in future years. Given the manner in which Securities are distributed, there will be or may have been circumstances in which it will not be possible to control or identify whether a Trust Fund has become subject to the loss restriction event rules. As a result, there can be no assurance that a Trust Fund has not or will not in the future be subject to the loss restriction event rules and no assurance as to when and to whom any such distributions will be made, or that a Trust Fund will not be required to pay tax on such undistributed income and taxable capital gains.

Relief from the application of the loss restriction event rules, may be available to a trust that qualified as a "mutual fund trust" for the purposes of the Tax Act and meets certain asset diversification requirements.

Certain tax rules apply to direct and indirect investments by Canadian residents in non-resident trusts (the "NRT Rules"). It is not expected that the NRT Rules will be applied in respect of investments, if any, made by the Funds in non-resident funds that are trusts; however no assurances can be given in this regard.

Trading Price of ETF Securities

ETF Securities may trade in the market at a premium or discount to the NAV per ETF Security. There can be no assurance that the ETF Securities will trade at prices that reflect their NAV. The trading price of the ETF Securities will fluctuate in accordance with changes in the applicable Fund's NAV, as well as market supply and demand on its Designated Exchange. However, given that generally only a prescribed number of ETF Securities are issued to the designated broker and dealers, and that holders of a prescribed number of ETF Securities, as the case may be, (or an integral multiple thereof) may redeem such ETF Securities at their NAV, Redwood believes that large discounts or premiums to the NAV of the ETF Securities should not be sustained.

Underlying Fund Risk

The Funds may invest some or all of their assets in other mutual funds, including exchange-traded funds, each called an underlying fund, in order to gain access to the strategies pursued by those underlying funds. There can be no assurance that any use of such multi-layered fund of fund structures will result in any gains for a Fund. If any of the Funds purchase or redeem a large number of securities of an underlying fund, such underlying fund may have to change its portfolio significantly in order to meet such purchase or redemption requests. This can affect the performance of the underlying fund and, in turn, the value of the Fund that is investing in it. If an underlying fund that is not traded on an exchange suspends redemptions, a mutual fund that invests in such underlying fund will be unable to value part of its portfolio and may be unable to redeem its securities. Investment funds that are traded on an exchange (i.e. exchange-traded funds) are subject to the following risks that do not apply to conventional mutual funds: (i) an exchange-traded fund's securities often trade on the exchange at a premium or discount to the net asset value of such securities; (ii) an active trading market for an exchange-traded fund's securities may not develop or be maintained, and (iii) there is no assurance that the exchange-traded fund will continue to meet the listing requirements of the exchange.

The Funds may invest in underlying funds that have obtained exemptive relief to invest in exchange-traded funds that may use leverage, seek to track an index on an inverse basis or seek to gain exposure to gold and/or silver, subject to certain conditions. Leveraged exchange-traded funds seek to deliver multiples of the performance of the index or benchmark they track. Leverage involves borrowing money to increase the size of an investment. Inverse exchange-traded funds seek to deliver the opposite of the performance of the index or benchmark they track. Leveraged exchange-traded funds and inverse exchange-traded funds generally use derivatives to achieve their investment objectives. The strategies used by such exchange-traded funds have the potential of magnifying the risk associated with the underlying market segments or indexes to which such exchange-traded funds are exposed, particularly in volatile market conditions.

Valuation Risk

Securities held by mutual funds are generally priced by an independent pricing service and may also be priced using dealer quotes or fair valuation methodologies in accordance with valuation procedures adopted by the Funds. The prices provided by the independent pricing service or dealers or the fair valuations may be different from the prices used by other mutual funds or from the prices at which securities are actually bought and sold.

Also, a Fund may invest a limited amount of its portfolio in illiquid assets in accordance with applicable securities law. The valuation of these investments is determined daily. Illiquid assets may or may not be available for sale in the public marketplace. Illiquid assets available for sale in the public marketplace are valued using the exchange specific closing price unless there was no trading activity for the investment in which case the mid (average of bid and ask) price may be used. For illiquid assets where no published market exists, valuations shall be determined using fair value principles (see additional information in the Annual Information Form under "Valuation of Portfolio Securities"). The valuation of illiquid assets that have not had recent trading activity or for which market quotations are not publicly available has inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investment. The fair value process is subjective to a degree and, to the extent that these valuations are inaccurate, investors in the mutual fund may gain a benefit or suffer a loss when they purchase or redeem Securities of a Fund that invests in illiquid assets.

ORGANIZATION AND MANAGEMENT OF THE FUNDS

Manager

Redwood Asset Management Inc.
130 Adelaide Street West, Suite 1700 P.O. Box 83
Toronto, Ontario
M5H 3P5

Redwood Asset Management Inc. acts as the manager of the Funds and is responsible for the overall day-to-day management and administration of the Funds, including providing or arranging for investment management, fund accounting and administrative services, including registrar and transfer agency services, to the Funds.

Portfolio Advisors and Sub-Advisors

Each of the Funds has one or more portfolio advisors and sub-advisors. The Portfolio Advisors and Sub-Advisors conduct research, select, purchase, sell, makes all investment decisions with regard to the portfolio securities of the Funds, and manage the portfolios of the Funds. Redwood is responsible for any loss that arises out of any failure of a sub-advisor: (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the applicable Fund and Redwood; or (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

Some of the Portfolio Advisors and Sub-Advisor are located outside of Canada which may make it difficult to enforce legal rights against them.

Fund	**Portfolio Advisor/Sub-Advisor**
Redwood Emerging Markets Dividend Fund	Somerset Capital Management LLP (Portfolio Advisor) London, United Kingdom Somerset Capital Management LLP, formerly sub-advisor to the Fund, took over as sole portfolio advisor to the Fund on January 1, 2012. Since Somerset and its assets are located outside of Canada, it may be difficult to enforce legal rights against it or against its individual representatives.
Redwood Pension Class	Redwood Asset Management Inc.
Redwood Unconstrained Bond Fund	Redwood Asset Management Inc. (Portfolio Advisor) Toronto, Ontario Scout Investments, Inc. through its Reams Asset Management Company, LLC division (“Reams” or a “Sub-Advisor”) Columbus, Indiana Redwood has retained the Sub-Advisor to provide investment advice and make the investment decisions for the Fund. Since the Sub-Advisor and its assets are located outside of Canada, it may be difficult to enforce legal rights against it or against its individual representatives. The Sub-Advisor is not a registered portfolio manager in Canada and is acting in such capacity pursuant to an exemption from the requirement to be registered. It has been appointed as Sub-Advisor by Redwood and Redwood is responsible for all investment advice provided to the Fund.

Redwood Global Total Return Bond Portfolio	Redwood Asset Management Inc. (Portfolio Advisor) Toronto, Ontario
Redwood Behavioural Opportunities Fund	Richardson GMP Limited (Portfolio Advisor) Toronto, Ontario
Redwood U.S. Preferred Share Fund	Redwood Asset Management Inc. (Portfolio Advisor) Toronto, Ontario Nuveen Asset Management, LLC ("Nuveen" or a "Sub-Advisor") Chicago, Illinois Since the Sub-Advisor and its assets are located outside of Canada, it may be difficult to enforce legal rights against it or against its individual representatives. The Sub-Advisor is not a registered portfolio manager in Canada and is acting in such capacity pursuant to an exemption from the requirement to be registered. It has been appointed as Sub-Advisor by Redwood and Redwood is responsible for all investment advice provided to the Fund.

Trustee

Redwood Asset Management Inc.
Toronto, Ontario

The Trustee of a Trust Fund is the legal owner of the portfolio securities of the Trust Fund on behalf of their securityholders. There is no trustee for any of the Corporate Funds as they are each classes of mutual fund shares of Redwood Corp.

Custodian

CIBC Mellon Trust Company
Toronto, Ontario

The Custodian holds the Funds' cash and securities on behalf of the Funds and is responsible for ensuring that they are safe and secure. The Custodian is independent of the Manager and the Funds.

Securities Lending Agent

CIBC Mellon Global Securities Services Company ("GSS")
Toronto, Ontario

The securities lending agent is independent of and unrelated to the Manager, and acts on behalf of the Funds in administering securities lending transactions entered into by the Funds.

Recordkeeper/Registrar and Transfer Agent

Recordkeeper of Mutual Fund Securities

CIBC Mellon Global Securities Services Company
Toronto, Ontario

GSS also keeps a register of the owners of Mutual Fund Securities of the Funds, processes purchase and redemption orders, issues investor account statements and issues annual tax reporting information in respect of Mutual Fund Securities.

Registrar and Transfer Agent of ETF Securities

TSX Trust Company
Toronto, Ontario

TSX Trust Company is the registrar and transfer agent and dividend reinvestment plan agent for the ETF Securities. The register of each of the Funds for the ETF Securities is kept in Toronto.

Auditor

Ernst & Young LLP
Toronto, Ontario

As auditors, Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, annually audit the financial statements of the Funds to determine whether they fairly present, in all material respects, the Funds' financial position, results of operations and changes in net assets in accordance with applicable generally accepted accounting principles. Ernst & Young LLP is independent of the Funds in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.

If a decision is ever made to change auditors, you will not be asked to approve this change; however, we will provide you at least 60 days written notice before the effective date of the change in auditors.

Independent Review Committee

In accordance with National Instrument 81-107 – Independent Review Committee for Investment Funds ("NI 81-107"), the Manager of the Funds has appointed an Independent Review Committee (the "IRC") comprised of three independent members. The mandate of the IRC is to review, and provide input on, the Manager's written policies and procedures that deal with conflict of interest matters in respect of the Funds and to review, and in some cases approve, conflict of interest matters referred to it by the Manager.

Certain reorganizations of a Fund or transfers by a Fund of its assets to another mutual fund will not require the approval of securityholders provided certain criteria are met. Such criteria include, obtaining the approval of the IRC, as well as delivering a written notice to securityholders describing such activities at least 60 days before the effective date of the reorganization or transfer. In addition, the auditors of the Funds may not be changed unless the IRC has approved the change in accordance with NI 81-107, and a written notice describing the change of auditors is sent to securityholders at least 60 days before the effective date of the change.

The compensation and other reasonable expenses of the IRC are paid pro rata out of the assets of the Funds and the other investment funds managed by the Manager or its affiliates for which the IRC acts as the independent review committee. The main components of compensation for members of the IRC are an annual retainer and a fee for each committee meeting attended. Expenses of the IRC may include premiums for insurance coverage, legal fees, travel expenses and reasonable out-of-pocket expenses. The fees and expenses of the IRC are allocated among the Redwood mutual funds in a manner that is considered by the IRC to be fair and reasonable to the Funds.

Each member of the IRC is independent of us, the Funds and any party related to us or the Manager. The IRC reports annually to securityholders of the Funds as required by NI 81-107. The reports of the IRC are available free of charge from the Manager, on request, by contacting the Manager at 416-304-6800 or toll-free at 1-877-313-7011, or by emailing us at invest@redwoodaset.com and are posted on the Manager's website at www.redwoodasset.com.

Additional information regarding the IRC, including the names of the members, is available in the Annual Information Form of the Funds.

Funds of Funds: Investments in Underlying Funds

Certain of the Funds may invest in securities of underlying mutual funds, including mutual funds managed by the Manager or an affiliate of the Manager, subject to certain conditions. Where Redwood (or one of its affiliates) is the manager of the other fund, Redwood (or the affiliate) will either not vote the securities of underlying mutual funds or will pass along the voting rights directly to securityholders of such Funds. The Manager may, in some circumstances, choose not to pass the vote to securityholders because of the complexity and costs associated with doing so.

PURCHASES, SWITCHES AND REDEMPTIONS

Each Fund is permitted to issue an unlimited number of securities, issuable in classes or series, as applicable, and may issue an unlimited number of securities of each class or series. Each Fund offers A Securities. Redwood Emerging Markets Dividend Fund offers A, F, I and ETF Securities. Redwood Pension Class and Redwood Global Total Return Bond Portfolio offer A Securities, F Securities, A USD Securities , F USD Securities and PHP Securities. Redwood Unconstrained Bond Fund offers A Securities, F Securities, A USD Securities, F USD Securities, I Securities and ETF Securities. Redwood Behavioural Opportunities Fund offers A Securities, F Securities and ETF Securities. Redwood U.S. Preferred Share Fund offers A Securities , F Securities, and ETF Securities.

Without your consent or notice to you, the Manager may establish additional series or classes of securities of any of the Funds and may determine the rights as between those series or classes. We reserve the right, from time to time, to "cap" or "close" a Fund or any class or series of a Fund if it is determined to be in the best interest of a Fund or series/class of a Fund and the securityholders. If we do "cap" or "close" a Fund or a series/class of a Fund, it may be re-opened for investment at our sole discretion. Any "capping" or "closing" of a Fund or any series/class of a Fund will not impact redemption rights of securityholders.

Although the money which you and other investors pay to purchase Securities is tracked on a series by series, or class by class, basis in the applicable Fund's administrative records, the assets are combined in a single pool to create one portfolio for investment purposes.

The Funds are available in each province of Canada. You may purchase, switch or redeem Mutual Fund Securities of a Fund by contacting your investment advisor. ETF Securities may be sold over the stock exchange for the price then available in the market.

Redwood Behavioural Opportunities Fund will not issue securities, other than those issued pursuant to an investment of $150,000 or more by the Manager, unless subscriptions aggregating not less than $500,000 have been received by the Fund from investors other than any combination of (i) the Manager, (ii) the Portfolio Advisor of the Fund, (iii) officers, directors or securityholders of any of the Manager or the Portfolio Advisor of the Fund, and such subscriptions have been accepted by the Fund.

Securities of the Funds are not registered for sale in any jurisdiction outside Canada. You may not purchase Securities of the Funds outside Canada, for yourself if you live outside Canada, on behalf of a person living outside Canada, if this practice is against the law where you live or the other person resides, or such foreign residency has negative legal, regulatory or tax implications for a Fund. In some jurisdictions outside Canada, a purchase of a Fund security is not against the law as long as the purchase is unsolicited. In these jurisdictions, you and your dealer are responsible for submitting only those purchase orders that have been initiated by you.

The purchase or redemption price of a Mutual Fund Security of a Fund is the net asset value per security of a series/class prevailing at the time of purchase, switch or redemption. The net asset value per security for each series/class of Mutual Fund Securities of a Fund is based on the net asset value of the series/class proportionate share of the assets of a Fund less the proportionate share of common expenses allocated to that series/class and less any series/class expenses attributable to that series/class, divided by the total number of securities of that series/class outstanding. The price for a Mutual Fund Security is calculated at the end of each business day. As noted above, ETF Securities may be sold over the stock exchange for the price then available in the market.

All requests for any purchases, switches or redemptions of the applicable Mutual Fund Securities in a Fund must be received by the Fund prior to 4:00 p.m. (Eastern Standard Time) or such other time as indicated on the website for each Fund (an "order cut-off time") on a business day in order to receive that business day's security price for that Security, which is calculated as the net asset value as of close of business on that day. If your request is received after 4:00 p.m. (Eastern Standard Time), the security price applied to your request will be determined at the close of business on the following day. You and your advisor are responsible for the completeness and accuracy of your order. Orders will only be processed if complete.

Your dealer may seek reimbursement from you for any of its losses caused by you in connection with a failed settlement of either a purchase or redemption of the applicable Mutual Fund Securities of a Fund where such dealer has the contractual right to do so.

The Funds are valued in Canadian dollars, except for:

(i) A USD Securities and F USD Securities of Redwood Pension Class, Redwood Unconstrained Bond Fund and Redwood Global Total Return Bond Portfolio; and

(ii) ETF non-currency hedged units, A non-currency hedged units and F non-currency hedged units of Redwood U.S. Preferred Share Fund;

which are each also valued in US dollars.

The Canadian dollar net asset value for such Securities of these Funds is converted to U.S. dollars at the prevailing exchange rate for that valuation day, to determine the applicable U.S. dollar net asset value. ETF non-currency hedged units of Redwood U.S. Preferred Share Fund are denominated in both Canadian and U.S. dollars.

Other than such Securities, the Funds are not currently available for purchase in U.S. dollars. We may offer the U.S. dollar purchase option in respect of additional Funds or series/classes in the future.

Our U.S. dollar option is offered as a convenience. It allows you to invest in certain of our Funds using U.S. dollars. If you buy your Securities in U.S. dollars, you'll receive U.S. dollars when you redeem them or receive distributions from the Fund.

The Tax Act requires that all amounts including capital gains and losses be reported in Canadian dollars. As a result, if you bought and redeemed units under the U.S. dollar options, you need to calculate gains or losses based on the Canadian dollar value of your units when they were purchased and when they were sold. In addition, although distributions will be made in U.S. dollars, they must be reported in Canadian dollars for Canadian tax purposes. Consequently, all investment income will be reported to you in Canadian dollars for income tax purposes. You may want to consult your tax advisor regarding this.

Further information on the calculation of the net asset value of a Fund is described in the Fund's Annual Information Form.

Please note that as Mutual Fund Securities are available for purchase or redemption through registered dealers approved by the Manager, investors may be required to pay different fees and expenses. Please refer to "Fees and Expenses" below.

Purchases of A Securities and A USD Securities

A Securities of each of the Funds are available to all investors. A USD Securities of Redwood Pension Class, Redwood Unconstrained Bond Fund and Redwood Global Total Return Bond Portfolio are only available to investors who purchase the Fund in US dollars. The minimum initial investment in any of the Funds in A Securities or A USD Securities is $1,000. A non-currency hedged units of Redwood U.S. Preferred Share Fund are also available for purchase in U.S. dollars. The minimum subsequent investment in any Fund is $100. These minimum investment amounts may be adjusted or waived in the absolute discretion of the Manager.

You must include payment with your purchase order. Purchase orders which are deposited with a dealer will be forwarded by the dealer to the Fund on the same day on which the purchase order is received, or if received after 4:00 p.m. (Eastern Standard Time), on the next business day. The dealer must send an investor's purchase order by courier, priority post or telecommunications facility without charge to the investor. As a security measure, the Manager may, in its discretion, refuse to accept a purchase order placed by telephone or electronic transmission directly from an investor.

The Manager has the right to accept or reject any purchase order, but must make a decision to reject an order within one business day after receiving the order. Any payment received with an order that is rejected will be refunded as soon as possible.

No certificates are issued for Securities purchased, but an investor receives, following each purchase of Securities, a written statement indicating all relevant details of the purchase transaction, including the dollar amount of the purchase order, the net asset value per security applied to the purchase order and the number of Securities purchased.

Purchases of F Securities , F USD Securities, I Securities and PHP Securities

F Securities of the Funds are available to investors who participate in fee-based programs through their dealer and whose dealer has signed a F Securities agreement with us, as applicable, investors for whom we do not incur distribution costs, or individual investors approved by us, including our employees. F USD Securities of Redwood Pension Class, Redwood Unconstrained Bond Fund and Redwood Global Total Return Bond Portfolio are only available to investors who participate in fee-based programs through their dealer and whose dealer has signed a F USD Securities agreement with us and who purchase the Fund in U.S. dollars. F non-currency hedged units of Redwood U.S. Preferred Share Fund are also available for purchase in U.S. dollars. You may only buy F Securities, F USD Securities or PHP Securities if we and your broker, dealer or advisor approve the order first. Your broker, dealer or financial advisor's participation in the F Securities, F USD Securities or PHP Securities program is subject to our terms and conditions. The minimum initial investment in any of the Funds is $1,000. The minimum subsequent investment in any Fund is $100. A higher minimum investment will be required for investing in I Securities or PHP Securities. These minimum investment amounts may be changed or waived in the absolute discretion of the Manager. PHP Securities of Redwood Pension Class and Redwood Global Total Return Bond Portfolio are only available to institutional investors and investors with large investments in Redwood Pension Class or Redwood Global Total Return Bond Portfolio, who have signed a PHP Securities agreement with us, at the discretion of the Manager. I Securities are available to investors that invest a minimum initial investment of $1,000,000 in the Fund, at the discretion of the Manager.

If you cease to be eligible to hold F Securities, F USD Securities or PHP Securities of a Fund, we may exchange your Securities into A Securities of the same Fund, or A USD Securities of the Fund in the case of Redwood Pension Class, if applicable, after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold F Securities, F USD Securities or PHP Securities, as applicable.

Issuance of ETF Securities

ETF securities of Redwood U.S. Preferred Share Fund and Redwood Emerging Markets Dividend Fund are currently listed and traded on a Designated Exchange. The Manager has applied to list ETF Securities of Redwood Unconstrained Bond Fund on a Designated Exchange and has received conditional approval for such listing. Subject to meeting the Designated Exchange's original listing requirements in respect of such ETF Securities, the

ETF Securities of Redwood Unconstrained Bond Fund will be listed on the Designated Exchange and offered on a continuous basis.

The Manager, on behalf of Redwood Behavioural Opportunities Fund will also apply to list the ETF Securities of such Fund on a Designated Exchange. Subject to receiving conditional approval and meeting the Designated Exchange's original listing requirements in respect of such ETF Securities, and a receipt being issued for the final simplified prospectus of the ETF Securities for Redwood Behavioural Opportunities Fund by the securities regulatory authorities, such ETF Securities will also be listed on the Designated Exchange and offered on a continuous basis.

An investor is, or will be able to, buy or sell ETF Securities on the Designated Exchange through registered brokers and Dealers in the Province where the investor resides. Investors will incur customary brokerage commissions in buying or selling the ETF Securities. The ETF Securities are being issued and sold on a continuous basis and there is no maximum number of ETF Securities that may be issued.

The ETF Securities are Canadian dollar denominated and are therefore offered under Canadian dollar denominated ticker symbols on the Designated Exchange. ETF non-currency hedged units of Redwood U.S. Preferred Share Fund are denominated in both Canadian and U.S. dollars and are offered under separate Canadian and U.S. dollar denominated ticker symbols on the Designated Exchange.

All orders to purchase ETF Securities directly from a Fund must be placed by the designated broker or Dealers. The Funds reserve the absolute right to reject any subscription order placed by the designated broker or Dealers. No fees will be payable by a Fund to the designated broker or a Dealer in connection with the issuance of ETF Securities. On the issuance of ETF Securities, Redwood may, in its discretion, charge an administrative fee to the designated broker or a Dealer to offset the expenses (including any applicable additional listing fees) incurred in issuing the ETF Securities. There is no minimum investment required for ETF Securities of a Fund.

Redwood, on behalf of each of Redwood U.S. Preferred Share Fund, Redwood Emerging Markets Dividend Fund, Redwood Unconstrained Bond Fund and Redwood Behavioural Opportunities Fund, has entered, or will enter, into a designated broker agreement pursuant to which the designated broker will agree to perform certain duties relating to the ETF Securities including, without limitation: (i) to subscribe for a sufficient number of ETF Securities to satisfy the original listing requirements of the Designated Exchange on which the ETF Securities may be listed from time to time; (ii) to subscribe for ETF Securities on an ongoing basis in connection with the rebalancing of and adjustments to the portfolio of the Fund; (iii) to post a liquid two-way market for the trading of ETF Securities on the Designated Exchange on which the ETF Securities are traded. Redwood may, in its discretion from time to time, reimburse the designated broker for certain expenses incurred by the designated broker in performing these duties.

The designated broker agreement will provide that Redwood may from time to time require the designated broker to subscribe for ETF Securities for cash in a dollar amount not to exceed 0.30% of the NAV of the ETF Securities per quarter. The number of ETF Securities issued will be the subscription amount divided by the NAV per ETF Securities next determined following the delivery by Redwood of a subscription notice to the designated broker. Payment for the ETF Securities must be made by the designated broker, and the ETF Securities will be issued, by no later than the third trading day after the subscription notice has been delivered.

On any trading day, the designated broker or a Dealer may place a subscription order for the prescribed number of ETF Securities (or an integral multiple thereof) of a Fund. If a subscription order is received by the Fund by 9:00 a.m. (Toronto time) on a trading day (or such later time on such trading day as Redwood may permit), the Fund will issue to the designated broker or Dealer the prescribed number of ETF Securities (or an integral multiple thereof) by no later than the third trading day following the effective date of the subscription order or on such other day as mutually agreed between Redwood and the designated broker or Dealer, provided that payment for such ETF Securities has been received.

For each prescribed number of ETF Securities issued, the designated broker or a Dealer must deliver payment consisting of, in Redwood's discretion: (i) a basket of securities and cash in an amount sufficient so that the value of the securities and the cash received is equal to the NAV of the ETF Securities of the Fund next determined following the receipt of the subscription order and cash subscription fee if applicable; (ii) cash in an amount equal to the NAV of the ETF Securities of the Fund next determined following the receipt of the subscription order and cash subscription fee, if applicable; or (iii) a combination of securities and cash, as determined by Redwood, in an amount sufficient so that the value of the securities and cash received is equal to the NAV of the ETF Securities of the Fund next determined following the receipt of the subscription order prior to the subscription cut-off time and cash subscription fee, if applicable.

Redwood may, in its discretion, increase or decrease the prescribed number of ETF Securities from time to time.

ETF Securities may be issued by a Fund to the designated broker in connection with the rebalancing of and adjustments to the Fund or its portfolio when cash redemptions of ETF Securities occur.

Switches

General

Subject to the restriction noted below, you can switch your investment from one Fund into another Fund. A switch is an exchange of the Securities of the Fund that you own for Securities of the new Fund. You must maintain a minimum account balance of $1,000 and you must switch at least $500 worth of Securities. These minimum investment amounts may be adjusted or waived in the absolute discretion of the Manager. Another restriction is that Securities of one series or class cannot be switched for Securities of another series or class within the same Fund unless you meet the criteria for the new series or class. **You cannot transfer or convert Mutual Fund Securities to ETF Securities or vice versa.**

Switching between Mutual Fund Securities

Switching Mutual Fund Securities of Redwood Emerging Markets Dividend Fund, Redwood Unconstrained Bond Fund, Redwood Global Total Return Bond Portfolio or Redwood U.S. Preferred Share Fund for Mutual Fund Securities of any other Fund (or vice versa) is accomplished by redeeming Mutual Fund Securities of one Fund and purchasing Mutual Fund Securities of the other Fund and is considered to result in a disposition for tax purposes. Similarly, switching Mutual Fund Securities of a Fund within Redwood Corp. for Mutual Fund Securities of a fund that is not within Redwood Corp. (or vice versa) is accomplished by redeeming Mutual Fund Securities of one Fund and purchasing Mutual Fund Securities of the other Fund and is considered to result in a disposition for tax purposes.

Switching between Canadian dollar Mutual Fund Securities of the same Fund is generally not considered to result in a disposition for tax purposes, except to the extent that Mutual Fund Securities are redeemed to pay for a switching fee. Accordingly, a switch may result in a taxable disposition for the purposes of the Tax Act. See “Income Tax Considerations for Investors” for more information.

A switch between a currency hedged and a non-currency hedged unit of the same Fund (and vice versa) will constitute a taxable disposition at fair market value and may result in a capital gain or capital loss. In addition, a switch between Mutual Fund Securities of different Corporate Funds within Redwood Corp. will constitute a taxable disposition at fair market value and may result in a capital gain or capital loss.

If you switch your Mutual Fund Securities of a Fund to Mutual Fund Securities of another Fund or if you switch the type of account in which you hold your Mutual Fund Securities (for example, switching from an investment account to an RRSP), your dealer or financial advisor may charge you the fees described under Fees and Expenses.

Switching between ETF Securities

Switching between ETF Securities of different Funds is not permitted.

Manager Initiated Switches

The Manager may, at its discretion, switch Securities of a class of Redwood U.S. Preferred Fund into any other class of Redwood U.S. Preferred Fund on the basis of the relative Net Asset Values of such classes and upon such other terms as the Manager may designate.

Redemptions

Mutual Fund Securities

You may redeem your Mutual Fund Securities of a Fund by completing a redemption request and depositing it with your dealer. The Manager may require that an investor's signature on any redemption request be guaranteed by a bank, trust company, credit union or otherwise to its satisfaction. A redemption request received by the Fund before 4:00 p.m., (Toronto time) or such other time as indicated on the website for each Fund (an "order cut-off time") on a regular business day will receive the redemption price for the applicable Mutual Fund Securities established at the close of business on that day. A redemption request received after 4:00 p.m. (Toronto Standard Time) or after such other cut-off time as indicated on the website for each Fund or on a day, which is not a regular business day in Toronto, Canada, will receive the redemption price for the applicable Mutual Fund Securities as of the close on the next regular business day. A dealer which receives a redemption request is required to transmit the redemption request without charge to you and where practicable, by courier, priority post or telecommunications facility.

The Fund will pay redemption proceeds to your account within two business days of receipt of your order, provided the written request for redemption submitted to your dealer is complete. Redemptions will not be processed without written documentation and orders will only be processed if complete.

The Manager has the right, upon 30 days written notice to the investor to redeem Mutual Fund Securities owned by you if the value of those Mutual Fund Securities is less than $1,000. You may prevent the automatic redemption by purchasing additional Mutual Fund Securities to increase the value of your Mutual Fund Securities to an amount equal or greater than $1,000 before the end of the 30 day notice period.

Redemption of ETF Securities for Cash

On any trading day, holders of ETF Securities may redeem ETF Securities for cash at a redemption price per ETF Security equal to the lesser of: (a) 95% of the market price for the ETF Securities on the effective date of redemption; and (b) the net asset value per ETF Security.

"Market price" means the weighted average trading price of the ETF Security on the Canadian marketplaces on which the ETF Securities have traded on the effective date of the redemption. Because holders of ETF Securities will generally be able to sell ETF Securities at the market price on the Designated Exchange(s) on which the ETF Securities of a Fund are traded through a registered broker or dealer subject only to customary brokerage commissions, holders of ETF Securities are advised to consult their brokers, dealers or investment advisors before redeeming their ETF Securities for cash.

In order for a cash redemption to be effective on a trading day, a cash redemption request in the form prescribed by Redwood from time to time must be delivered to Redwood at its registered office by 9:00 a.m. (Toronto time) on the trading day (or such later time on such trading day as Redwood may permit). If a cash redemption request is not received by the delivery deadline noted immediately above on a trading day, the cash redemption request will be effective on the next trading day. Payment of the redemption price will be made by no later than the third trading day after the effective day of the redemption. Cash redemption request forms may be obtained from your registered broker or dealer. Securityholders that redeem ETF Securities prior to the ex-dividend date for the record date for any dividend will not be entitled to receive that dividend.

In connection with the redemption of ETF Securities for cash, a Fund will generally dispose of securities or assets to satisfy the redemption.

Exchange of ETF Securities for Baskets of Securities

On any trading day, a holder of ETF Securities may exchange the prescribed number of ETF Securities (or an integral multiple thereof) for baskets of securities and cash. To effect an exchange of a prescribed number of ETF Securities, a holder of ETF Securities must submit an exchange request in the form prescribed by Redwood from time to time to Redwood at its registered office by 9:00 a.m. (Toronto time) on a trading day (or such later time on such trading day as Redwood may permit). The exchange redemption request forms may be obtained from any registered broker or dealer. The exchange price will be equal to the NAV of the ETF Securities of the applicable

Fund on the effective day of the exchange request, payable by delivery of baskets of securities and cash. The ETF Securities will be redeemed in the exchange.

If an exchange request is not received by the submission deadline noted immediately above on a trading day, the exchange order will be effective on the next trading day. Settlement of exchanges for baskets of securities and cash will be made by no later than the third trading day after the effective day of the exchange request. The securities to be included in the baskets of securities delivered on an exchange shall be selected by Redwood in its discretion.

Holders of ETF Securities should be aware that the NAV per ETF Security will decline by the amount of the dividend on the ex-dividend date, which is two trading days or such other day as announced by the Manager prior to the dividend record date. A securityholder that is no longer a holder of record on the applicable dividend record date will not be entitled to receive that dividend.

If constituent securities of a Fund are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a holder of ETF Securities may be postponed until such time as the transfer of the securities is permitted by law.

Costs associated with the Exchange and Redemption of ETF Securities

Redwood may charge to a holder of ETF Securities, in its discretion, an administrative fee of up to 2% of the exchange or redemption proceeds of a Fund to offset certain transaction costs associated with the exchange or redemption of such ETF Securities.

Exchange and Redemption of ETF Securities through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which the holder of ETF Securities holds its ETF Securities. Beneficial owners of ETF Securities should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold ETF Securities sufficiently in advance of the cut-off times described above to allow such CDS Participants to notify CDS and for CDS to notify us prior to the relevant cut-off time.

Special Considerations for Holders of ETF Securities

The provisions of the so-called "early warning" requirements set out in Canadian securities legislation do not apply in connection with the acquisition of ETF Securities. The Funds may rely on exemptive relief from the securities regulatory authorities to permit holders of ETF Securities to acquire more than 20% of the ETF Securities of any Fund through purchases on any of the Designated Exchange(s) on which the ETF Securities may be listed from time to time, without regard to the take-over bid requirements of Canadian securities legislation, provided that any such holder, and any person acting jointly or in concert with the holder, undertakes to the Manager not to vote more than 20% of the ETF Securities of that Fund at any meeting of securityholders.

All Securities - When You May not be Allowed to Redeem

Under extraordinary circumstances, the Manager may be unable to process your redemption order. The Manager reserves the right to suspend the right of redemption of the Securities of any Fund or to postpone the date of payment of the redemption price of the Securities. Any such suspension or postponement may occur only during any period in which the normal trading is suspended on a stock exchange within or outside Canada on which securities are listed and traded or on which specified derivatives are traded, if those securities or specified derivatives represent more than 50% in value, or underlying market exposure of the total assets of the Fund without allowance for liabilities and if those securities or specified derivatives are not traded on any other exchange that represents a reasonable practical alternative for the Fund, and during any other period which is consented to by the securities regulatory authorities having jurisdiction over the Fund. If we suspend redemption rights before the redemption proceeds have been determined, you may either withdraw your redemption request or redeem your Securities at the value next determined after the suspension has been lifted.

Short-Term Trading

General

The Manager has adopted policies and procedures to detect and deter short-term trading. Short-term trades are defined as a combination of a purchase and redemption, including switches between the Funds, within a short period of time that the Manager believes is detrimental to other investors in the Fund. These trades can be for periods of up to 30 days.

The interests of Fund investors and a Fund's ability to manage its investments may be adversely affected by short-term trading because, among other things, these types of trading activities can dilute the value of Fund Securities, can interfere with the efficient management of the Fund's portfolio and can result in increased brokerage and administrative costs to the Fund. While the Manager will actively take steps to monitor, detect and deter short-term trading, it cannot ensure that such trading activity will be completely eliminated.

Mutual Fund Securities

A purchase (including a switch into a Fund) and a redemption (including a switch from a Fund) within a short period of time may be subject to a short-term trading fee. If you redeem your Mutual Fund Securities within 30 days of purchase, the Manager may charge you a short-term trading fee of up to 2% of the aggregate NAV of the redeemed Securities. The fee payable will be deducted from the redemption proceeds when you redeem your Mutual Fund Securities and such fees will be retained by the Fund. The Manager, in its sole discretion, may waive the short-term trading fee in special circumstances. See "Fees and Expenses" for more information.

The Manager will monitor purchases and redemptions of Mutual Fund Securities of the Funds and if we are aware of a pattern of short-term trading that we believe, in our sole discretion, is significantly disrupting (or may potentially significantly disrupt) the management of the portfolio, we may also take such additional action as it considers appropriate to prevent further similar activity by the investor. These actions may include the delivery of a warning to the investor, placing the investor/account on a watch list to monitor his or her trading activity, the subsequent refusal of further trades by the investor if the investor continues to attempt such trading activity and/or closure of the investor's account.

The short-term trading fee will generally not be charged for a redemption of Mutual Fund Securities of a Fund: (i) acquired through automatic investment of all distributions of net income or capital gains by a Fund; (ii) through the exercise of statutory redemption rights; (iii) as a result of switching between Funds; or (iv) in the absolute discretion of the Manager. For purposes of this short-term trading fee, Mutual Fund Securities will be considered to be redeemed or switched on a first-in first-out basis.

ETF Securities

At the present time, we are of the view that it is not necessary to impose any short-term trading fees on the Funds issuing ETF Securities as the ETF Securities are generally traded by investors on an exchange in the secondary market in the same way as other listed securities. In the few situations where ETF Securities are not purchased in the secondary market, purchases usually involve the designated broker or a Dealer upon whom Redwood may impose a subscription or redemption fee, which is intended to compensate the applicable Fund for any costs and expenses incurred in relation to the trade.

Registration and Transfer through CDS – ETF Securities

Registration of interests in, and transfers of, ETF Securities, will be made only through CDS. ETF Securities must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of ETF Securities must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such ETF Securities. Upon purchase of any ETF Securities you will receive only the customary confirmation; physical certificates evidencing your ownership will not be issued. References in this prospectus to a holder of ETF Securities means, unless the context otherwise requires, the beneficial owner of such ETF Securities.

Neither the Funds, nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in the ETF Securities or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of ETF Securities to pledge such ETF Securities or otherwise take action with respect to such owner's interest in such ETF Securities (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Funds have the option to terminate registration of the ETF Securities through the book-based system in which case certificates for ETF Securities in fully registered form will be issued to beneficial owners of such ETF Securities to their nominees.

OPTIONAL SERVICES

Automatic Reinvestment of Distributions

Mutual Fund Securities

The Manager automatically reinvests your distributions to purchase additional Mutual Fund Securities of the same Fund, unless you tell us in writing that you would prefer cash payments**.** There is no cost for this service.

ETF Securities

The applicable Funds have adopted a reinvestment plan, which provides that a holder of ETF Securities (an "ETF plan participant") may elect to automatically reinvest all distributions paid on the ETF Securities held by that ETF plan participant in additional ETF Securities ("ETF plan securities") of such Funds in accordance with the terms of the reinvestment plan and the distribution reinvestment agency agreement between Redwood, on behalf of the Fund, and the plan agent, as may be amended. The key terms of the reinvestment plan are as described below.

Holders of ETF Securities who are not residents of Canada may not participate in the reinvestment plan and any holder of ETF Securities who ceases to be a resident of Canada will be required to terminate its participation in the reinvestment plan. No Fund will be required to purchase ETF plan securities if such purchase would be illegal.

A holder of ETF Securities who wishes to enrol in the reinvestment plan as of a particular dividend/distribution record date should notify the CDS Participant through which the holder holds its ETF Securities, sufficiently in advance of that dividend/distribution record date to allow such CDS Participant to notify CDS by 4:00 p.m. (Toronto time) on the dividend/distribution record date.

Dividends or distributions, as the case may be, that ETF plan participants are due to receive will be used to purchase ETF plan securities on behalf of such ETF plan participants in the market.

No fractional ETF plan securities will be purchased under the reinvestment plan. Any funds remaining after the purchase of whole ETF plan securities will be credited to the plan participant via its CDS Participant in lieu of fractional ETF plan securities.

The automatic reinvestment of the dividends/distributions under the reinvestment plan will not relieve ETF plan participants of any income tax applicable to such dividends/distributions. See "Income Tax Considerations for Investors" on page 40.

ETF plan participants may voluntarily terminate their participation in the reinvestment plan as of a particular dividend/distribution record date by notifying their CDS Participant sufficiently in advance of that dividend/distribution record date. ETF plan participants should contact their CDS Participant to obtain details of the appropriate procedures for terminating their participation in the reinvestment plan. Beginning on the first dividend/distribution payment date after such notice is received from an ETF plan participant and accepted by a CDS Participant, dividends/distributions to such ETF plan participant will be made in cash. Any expenses associated with the preparation and delivery of such termination notice will be borne by the ETF plan participant exercising its right to terminate participation in the reinvestment plan. Redwood may terminate the reinvestment plan, in its sole discretion, upon not less than 30 days' notice to: (i) the CDS Participants through which the ETF plan participants hold their ETF Securities; (ii) the plan agent; and (iii) if necessary, the applicable Designated Exchange.

Redwood may amend, modify or suspend the reinvestment plan at any time in its sole discretion, provided that it gives notice of that amendment, modification or suspension to: (i) the CDS Participants through which the ETF plan participants hold their ETF Securities; (ii) the plan agent; and (iii) if necessary, the applicable Designated Exchange.

Pre-Authorized Chequing Plan

Mutual Fund Securities

Each Fund offers an automatic investment plan to allow you to make regular bi-weekly, monthly or quarterly purchases of Mutual Fund Securities. The minimum initial investment for each Fund, except for PHP Securities and I Securities, is $1,000 and the minimum amount of each subsequent bi-weekly, monthly or quarterly purchase for each of the Funds is $100. Subject to these minimums (which may be waived by the Manager in its sole discretion), you may change the dollar amount of your investment, the frequency of payment or discontinue the plan by giving prior written notice to your dealer.

Averaging the Cost of Your Investments - Mutual Fund Securities

Making regular investments through our pre-authorized purchase plan can reduce the cost of investing, through a technique called dollar cost averaging. Investing equal amounts of money at regular intervals on an ongoing basis ensures that you buy fewer Mutual Fund Securities when prices are high and more Mutual Fund Securities when prices are low. Over time, this can mean a lower average cost per security than by making one lump sum purchase.

Systematic Withdrawal Plan - ETF Securities

Under the reinvestment plan, holders of ETF Securities will also be able to elect to systematically withdraw Securities by selling a specific dollar amount of ETF Securities (in minimum amounts of $100 and maximum amounts of $5,000) owned by such holder in respect of each subsequent payment date. A holder of an ETF Security may elect to sell ETF Securities by notifying the plan agent via the applicable CDS Participant through which such holder holds its ETF Securities of its intention to so sell ETF Securities. In this regard, the CDS Participant must, on behalf of such securityholder, (i) provide a systematic withdrawal notice directly to the plan agent that the securityholder wishes to sell ETF Securities in this manner until the fund is otherwise notified by 5:00 p.m. (Toronto time) on the applicable record date for which the securityholder no longer wishes to sell ETF Securities or there remain no further ETF Securities to be sold on behalf of such securityholder, whichever comes first and (ii) specify the specified dollar amount of shares or units, as the case may be, to be sold in respect of each subsequent payment date.

A holder of ETF Securities who makes pre-authorized cash contributions may not deliver a systematic withdrawal notice under the reinvestment plan.

U.S. Dollar Purchase Option - Redwood U.S. Preferred Share Fund

You may purchase A non-currency hedged units and F non-currency hedged units of Redwood U.S. Preferred Share Fund in U.S. dollars. ETF non-currency hedged units of Redwood U.S. Preferred Share Fund may also be purchased in U.S. dollars under a U.S. dollar denominated ticker symbol on the Designated Exchange.

Registered Tax Plans - All Securities

Securities of the Funds are intended to be qualified investments under the Tax Act for registered tax plans. The Manager offers registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), life income funds (LIFs), locked-in retirement income funds (LRIFs), locked-in retirement accounts (LIRAs) and tax free savings accounts (TFSAs). You should consult your tax advisor for full particulars of the tax implications of establishing, amending and terminating registered plans. Further, annuitants of RRSPs and RRIFs, and holders of TFSAs, should consult with their own tax advisors as to whether units would be a prohibited investment in their particular circumstances.

FEES AND EXPENSES

This information below lists the fees and expenses that you may have to pay if you invest in a Fund. You may have to pay some of these fees and expenses directly. Each Fund may have to pay some of these fees and expenses, and as a result will reduce the value of your investment in a particular Fund.

Securityholder approval is required to charge a new fee or expense or to change the basis of the calculation of a fee or expense charged to a Fund, or directly to securityholders by the Fund or by Redwood in connection with holding Securities of a Fund, if the change could result in an increase in charges to the Fund or its securityholders. Securityholder approval is not required if the person or company charging the fee or expense is at arm's length to the Fund and if the securityholders are provided at least 60 days' written notice of the change.

Being "no-load" Securities, the type and level of expenses payable by F Securities, F USD Securities, I Securities and PHP Securities may change. In such event, although security approval will not be obtained for such changes, as a securityholder in such Securities, you will receive notice 60 days in advance of the effective date of any increase in fees or other expense or introduction of a new fee or expense.

If a Fund holds securities of another investment fund:

- There are fees and expenses payable by the other investment fund in addition to the fees and expenses payable by the Fund.
- No management fees or incentive fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the other investment fund for the same service.
- No sales or redemption fees are payable by the Fund in relation to its purchases or redemptions of securities of the other investment fund that, to a reasonable person, would duplicate a fee payable by an investor in the Fund.

Please see "Investments in underlying funds" on page 46 in "Specific Information About Each of the Funds Described in This Document".

Fees and Expenses Payable by the Funds[1]	
Management Fees:	**Management Fee:** The annual management fees payable by a Fund, subject to all applicable taxes, are: 2.5% of the average net assets in respect of the A Securities and A USD Securities, 1.5% of the average net assets in respect of the F Securities and F USD Securities, and 1.25% of the average net assets in respect of PHP Securities for Redwood Pension Class; 2.5% of the average net assets in respect of the A Securities and A USD Securities, 1.5% of the average net assets in respect of the F Securities and F USD Securities, and 1.25% of the average net assets in respect of PHP Securities for Redwood Global Total Return Bond Portfolio; 2.0% of the average net assets in respect of the A Securities, 1.0% of the average net assets in respect of the F Securities, and 1.0% of the average net assets of the ETF Securities for Redwood Behavioural Opportunities Fund; 2.5% of the average net assets in respect of the A Securities, 1.5% of the average

[1] When the basis of the calculation of a fee or expense that is charged to a Fund is changed in a way that could result in an increase in charges to a Fund or to you, and when such fee or expense is charged by an entity that is at arm's length to the Fund, you will not be asked to approve such change but securityholders will be sent a written notice at least 60 days in advance of such change.

	net assets in respect of the F Securities, and 0.9% of the ETF Securities for Redwood Emerging Markets Dividend Fund. The Fund does not pay a management fee in respect of I Securities as each I Securities securityholder pays a negotiated management fee directly to Redwood, priced primarily based on the size of the investment, to a maximum rate of 1.5%. For I Securities, this fee can be paid by cheque or by the redemption of I Securities held by the securityholder; 1.65% of the average net assets in respect of the A Securities and A USD Securities, 0.95% in respect of the F Securities and F USD Securities, and 0.95% for the ETF Securities for Redwood Unconstrained Bond Fund. The Fund does not pay a management fee in respect of I Securities as each I Securities securityholder pays a negotiated management fee directly to Redwood, priced primarily based on the size of the investment, to a maximum rate of 1.0%. For I Securities, this fee can be paid by cheque or by the redemption of I Securities held by the securityholder; and 1.55% of the average net assets in respect of the A Securities (both A units and A non-currency hedged units), 0.80% in respect of the F Securities (both F units and F non-currency hedged units) and 0.80% in respect of the ETF Securities (both ETF units and ETF non-currency hedged units) for Redwood U.S. Preferred Share Fund. The management fee is paid to the Manager in consideration for the services the Manager provides to the Funds. Such services include: filing, signing and certifying disclosure documents to permit the continuous offering of Securities of the Funds that are distributed to the public; preparing all written and printed materials for securityholders; complying with the registration, filing, reporting and other requirements of all regulatory bodies having jurisdiction over the sale of Securities of the Funds and performing all general managerial, supervisory and administrative functions or any other tasks on behalf of the Funds as may be required from time to time. The expenses borne by the Manager include trailing commissions, portfolio advisory services fees, office equipment, supplies and other office expenses, rent and certain salaries. All management fees are based on the NAV of a series or class of Securities, calculated on each Valuation Date and paid monthly. To encourage large purchases in a Fund and to achieve effective management fees that are competitive for these investments, the Manager may reduce the management fee payable by a Fund with respect to a particular investor, based on a number of factors including the type of investor and the number and value of securities held by an investor. Such management fee reduction is called a management fee rebate. At a minimum, an investor must purchase and hold $5,000,000 of investments in a Fund in order to be eligible for a management fee rebate, although this minimum amount may be waived in the absolute discretion of the Manager. Investors who are entitled to the benefit of a management fee rebate automatically have such rebate reinvested in additional Securities of the same series or class, as applicable, of the Fund. Refer to the distribution policy for each of the Funds in Part B of this simplified prospectus. The Funds may invest in securities of underlying funds. In such cases, the Funds may charge a management fee, as may the underlying funds, but there will be no duplication of management fees with respect to those holdings. Further, the management fee payable with respect to that underlying fund will not be greater in the aggregate than the management fee applicable to the particular Securities

	of the Fund held. Management fees are subject to applicable taxes, such as HST. Each of Redwood Pension Class, Redwood Emerging Markets Dividend Fund and Redwood Behavioural Opportunities Fund will pay the Manager an incentive fee, annually based on performance as at December 31, subject to all applicable taxes, equal to a percentage of the daily net asset value of the applicable Securities of the Fund. Such percentage will be equal to 10% (20% in the case of Redwood Emerging Markets Dividend Fund) of the difference by which the return in the net asset value per security of the applicable Securities of a Fund from January 1 to December 31 exceeds the percentage return of the Fund's benchmark, which shall be a 50/50 blend of the MSCI World Index and the Barclays Aggregate Bond Index (in respect of Redwood Pension Class), a 50/50 MSCI World/MSCI Emerging Markets (both in Canadian dollars) blended index (in respect of Redwood Emerging Markets Dividend Fund) and a 50/50 S&P/TSX Composite Index/S&P 500 Index (in Canadian dollars) blended index (in respect of Redwood Behavioural Opportunities Fund). The incentive fee will be accrued on a daily basis and payable at the end of the year based on performance against the benchmark as at December 31 and subject to the following: if the performance of a series or class, as applicable, of a Fund in any year, at December 31, is less than the performance of the applicable index described above (the "Deficiency"), then no incentive fee will be payable in any subsequent year until the performance of the applicable series or class of the applicable Fund, on a cumulative basis calculated from the first of such subsequent years has exceeded the amount of the Deficiency. The Manager may reduce the incentive fee payable by a Fund with respect to a particular investor or class at its discretion, based on a number of factors including the type of investor and the number and value of securities held by an investor. At a minimum, the investor must be institutional and hold a large account. Investors who are entitled to the benefit of a lower incentive fee may receive a fee rebate from a Fund so that those investors receive the benefit of the lower incentive fee. Refer to the Distribution Policy for each of the Funds in Part B of this simplified prospectus. The Manager may share this incentive fee with a Portfolio Advisor of a Fund in accordance with the agreement between these parties.
Operating Expenses	Each Fund pays all its own operating expenses. These include but are not limited to brokerage commissions and fees, taxes, audit fees, legal fees and expenses, safekeeping, registrar and transfer agent fees, trustee and custodial fees, interest expenses, administrative costs, regulatory participation fees, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses. Each series or class of Securities of a Fund is responsible for the operating expenses that relate specifically to that series or class, as applicable, and for its proportionate share of the operating expenses that are common to all series or classes of Securities of the Fund. Each Fund also pays costs and any expenses related to the IRC. The compensation and other expenses of the IRC, including the costs of complying with NI 81-107, is paid pro rata by the Funds and the other investment funds managed by the Manager or its affiliates for which the IRC acts as the independent review committee. Such fees and expenses include compensation

	payable to each IRC member and travel expenses in connection with meeting attendance. Each IRC member receives an annual retainer of $5,000, as well as a meeting fee of $400 per fund per meeting attended. Other fees and expenses payable by the Funds in connection with the IRC include insurance costs, legal fees, and attendance fees for educational seminars. These retainers, fees and expenses are allocated amongst the reporting issuer investment funds managed by the Manager in a manner that is fair and reasonable to such funds. Operating expenses and other costs of a Fund are subject to applicable taxes. Each Fund's share of the IRC's compensation will be disclosed in the Funds' financial statements.
	As the Funds have more than one series or class of Securities, the securityholders of each series or class, as applicable, bear their pro rata share of those expenses which are common to the operation of all series or classes as well as those expenses which are attributable solely to that series or class.
	Fees and Expenses Payable Directly by You
I Securities Management Fee	Management fees for I Securities of Redwood Emerging Markets Dividend Fund and management fees for I Securities of Redwood Unconstrained Bond Fund are not charged to the Fund. We negotiate these fees directly with each I Securities securityholder.
Sales Charges	From 0% to 5% of the purchase price as negotiated between you and your authorized dealer on A Securities and A USD Securities. There are no sales charges payable on F Securities, F USD Securities or PHP Securities, but F Securities, F USD Securities or PHP Securities investors will generally be required to pay their dealer an advisory or asset-based fee in addition to the F Securities, F USD Securities or PHP Securities management fee payable by the Fund. There are no sales charges payable on purchases of I Securities or ETF Securities.
Switch Fees	The sales charges, as described above, apply when you switch between Funds. Switch fees do not apply to a conversion initiated by the Manager of F Securities, F USD Securities or PHP Securities into A Securities or A USD Securities.
Redemption Fees	There are no redemption fees payable upon the redemption of Securities of a Fund (subject to a short-term trading fee, when applicable).
Pre-Authorized Chequing Plan	No fee is charged to open, close or administer an account.
Short Term Trading Fee - Mutual Fund Securities	The Funds will impose a short-term trading fee payable by the securityholder to the Manager, of up to 2% of the aggregate net asset value of the Mutual Fund Securities redeemed if such Securities are redeemed within 30 days of their date of purchase. A short term trading fee will generally not be charged for a redemption of Securities (i) acquired through automatic reinvestment of all distributions of net income or capital gains by a Fund; (ii) through the exercise of statutory redemption rights; (iii) as a result of switching between Funds; or (iv) in the absolute discretion of the Manager. For purposes of this short-term trading fee, Mutual Fund Securities will be considered to be redeemed or switched on a first-in first-out basis. You may also be subject to pay fees and expenses to your

	authorized dealer through whom you redeem your Securities. At the present time, the manager is of the view that it is not necessary to impose any short-term trading fees on the ETF Securities.
Registered Tax Plan Fees	No fee is charged to open, close or administer an account. However, for self-directed retirement savings plans holding other investments in addition to Securities of a Fund, an annual trustee fee may apply. Please consult your advisor regarding this fee.
Other Expenses	You may have to reimburse your dealer if it suffers a loss as a result of our having to redeem your Securities for insufficient payment. See "Purchases, Switches and Redemptions". You may be subject to fees and expenses by your dealer or broker for some of the changes set out herein.
ETF Security Administration Fee	You may have to pay a Fund an administration fee of up to 2% of the value of any ETF Securities you exchange or redeem to offset certain transaction costs associated with the exchange or redemption of ETF Securities.

IMPACT OF SALES CHARGES

The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of $1,000 in A Securities of a Fund, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period. You may actually negotiate a lower sales commission with your dealer.

Redemption fee before end of:					
	Fee at time of purchase	1 year	3 years	5 years	10 years
Sales Charge Option	Up to $50	Nil	Nil	Nil	Nil

The Sales Charge Option example shown above assumes the maximum possible sales charge, although you may negotiate a lower sales charge with your authorized dealer.

ANNUAL RETURNS, MANAGEMENT EXPENSE RATIO AND TRADING EXPENSE RATIO OF ETF SECURITIES

As the ETF Securities are newly established, information relating to annual returns, management expense ratio and trading expense ratio is not yet available.

PRICE RANGE AND TRADING VOLUME OF ETF SECURITIES

The following table sets out the consolidated market price range and monthly trading volume of the ETF Securities of the Funds on the Designated Exchange on which the ETF Securities of the Funds trade for the calendar periods indicated. This information is not yet available for Redwood Unconstrained Bond Fund or Redwood Behavioural Opportunities Fund as ETF Securities of these Funds have not yet been publicly offered.

Redwood Emerging Markets Dividend Fund – ETF units(1)

	Price		
	High	**Low**	**Volume**
2017			

Redwood Emerging Markets Dividend Fund – ETF units[1]

	Price		
	High	**Low**	**Volume**
August 23 - 31	$20.35	$20.10	2,995
September	$20.35	$19.80	7,096
October	$20.96	$20.31	1,051
November	$20.99	$20.50	10,016

Note:
(1) Includes the Aequitas NEO Exchange Inc., TSX, TSX Venture Exchange Inc., Bourse de Montreal Inc., NASDAQ CX2, NASDAQ CXC Limited, TriAct Canada Marketplace LP, Omega ATS, Omega Lynx, Nodal Exchange LLC and Alpha Exchange Inc.

Redwood U.S. Preferred Share Fund – ETF units (CDN Dollar Units) [1]

	Price		
	High	**Low**	**Volume**
2017			
March 15 - 31	$25.19	$24.90	37,600
April	$25.40	$25.11	62,885
May	$25.42	$25.30	93,350
June	$25.53	$25.41	1,760
July	$25.70	$25.35	16,830
August	$25.49	$25.39	11,217
September	$25.43	$25.28	11,980
October	$25.57	$25.35	7,008
November	$25.45	$25.17	44,538

Note:
(1) Includes the Aequitas NEO Exchange Inc., TSX, TSX Venture Exchange Inc., Bourse de Montreal Inc., NASDAQ CX2, NASDAQ CXC Limited, TriAct Canada Marketplace LP, Omega ATS, Omega Lynx, Nodal Exchange LLC and Alpha Exchange Inc.

Redwood U.S. Preferred Share Fund – ETF units (US Dollar Units) [1]

	Price		
	High	**Low**	**Volume**
2017			
July	$19.04	$19.04	18,995
August	$19.03	$19.01	13,730
September	$19.03	$18.88	33,400
October	$19.11	$18.94	39,800
November	$19.01	$18.70	27,490

Note:
(1) Includes the Aequitas NEO Exchange Inc., TSX, TSX Venture Exchange Inc., Bourse de Montreal Inc., NASDAQ CX2, NASDAQ CXC Limited, TriAct Canada Marketplace LP, Omega ATS, Omega Lynx, Nodal Exchange LLC and Alpha Exchange Inc.

Redwood U.S. Preferred Share Fund – ETF non-currency hedged units(1)

	Price		
	High	**Low**	**Volume**
2017			
March 15 - 31	$24.97	$24.81	16,800
April	$25.44	$24.82	17,000
May	$25.67	$25.38	3,490
June	$25.41	$25.11	2,200
July	$25.11	$25.11	-
August	$25.11	$24.07	8,000
September	$24.07	$22.95	1,600
October	$23.95	$22.95	5,100
November	$23.95	$23.95	-

Note:

(1) Includes the Aequitas NEO Exchange Inc., TSX, TSX Venture Exchange Inc., Bourse de Montreal Inc., NASDAQ CX2, NASDAQ CXC Limited, TriAct Canada Marketplace LP, Omega ATS, Omega Lynx, Nodal Exchange LLC and Alpha Exchange Inc.

DEALER COMPENSATION

Your dealer may receive two types of compensation: sales commissions and trailing commissions.

Sales Commissions

Initial Sales Charge: A dealer which distributes A Securities or A USD Securities of a Fund may receive a sales commission of up to 5.0% ($50 for each $1,000 investment) of sales of the Fund by the dealer. This sales charge is deducted from the amount purchased, at the time of purchase, as a commission for the investment firm. You do not pay sales charges on F Securities, F USD Securities, I Securities, PHP Securities or ETF Securities, nor do we pay sales commissions to your dealer in respect of F Securities, F USD Securities, PHP Securities or ETF Securities. Your advisor or dealer negotiates a fee directly with you for the services they provide.

Trailing Commission

A dealer that distributes A Securities or A USD Securities of a Fund may receive an annual trailing commission of up to 1.0% ($10.00 for each $1,000 investment) of the value of assets held in A Securities or A USD Securities of the Fund, as applicable, except for Redwood Unconstrained Bond Fund and Redwood U.S. Preferred Share Fund. In the case of the latter two Funds, a dealer may receive an annual trailing commission from the Manager of up to 0.75% (0.75% or $7.50 for each $750 investment) in the case of A Securities or A USD Securities of Redwood Unconstrained Bond Fund or Redwood U.S. Preferred Share Fund, as the case may be. The trailing commission may be paid to your dealer annually for as long as you hold the shares with that dealer. Payments are calculated and accrued daily and paid monthly at the rate of up to 1/12 of 1.0% (0.083%) for the Funds generally, except that the rate is 1/12 of 0.75% (0.0625%) in the case of A Securities or A USD Securities of Redwood Unconstrained Bond Fund or Redwood U.S. Preferred Share Fund, held by the dealer's clients. We also pay trailing commissions to the discount broker for A Securities or A USD Securities that you purchase through your discount brokerage account. For I Securities of Redwood Emerging Markets Dividend Fund and Redwood Unconstrained Bond Fund, Redwood may pay a per annum trailing commission which you negotiate separately with your dealer.

These trailing commissions are paid by the Manager from management fees received and are not paid by a Fund directly. The Manager may, at its discretion, negotiate, change the terms and conditions of, or discontinue the payment of trailing commissions to dealers as long as the changes comply with Canadian securities laws. We reserve the right to change the frequency of these payments at our discretion.

No trailing commissions are paid in respect of the F Securities, F USD Securities, PHP Securities or ETF Securities of the Funds.

Other Forms of Dealer Support

We may support dealers with certain of their direct costs associated with marketing mutual funds and providing educational investor conferences and seminars about mutual funds. We may also pay dealers a portion of the costs of educational conferences, seminars or courses that provide information about financial planning, investing in securities, mutual fund industry matters or mutual funds generally. We may use part of the management fees received to pay portion of the cost of these programs in accordance with rules set out in National Instrument 81-105 - *Mutual Fund Sales Practices*. We may provide dealers with marketing materials about the Funds, other investment literature and permitted support. We may provide dealers non-monetary benefits of a promotional nature and of minimal value and we may engage in business promotion activities that result in dealers receiving non-monetary benefits. We review the assistance we will provide under these programs on an individual basis. Subject to compliance with securities regulatory authorities' mutual fund sales practices rules, we may change the terms and conditions of these trailing commissions and programs, or may stop them, at any time.

DEALER COMPENSATION FROM MANAGEMENT FEES

During the financial year ended December 31, 2016, we paid or caused to be paid total cash compensation (sales commissions, trailing commissions or other kinds of dealer compensation such as promotional activities) to dealers who distributed securities of the mutual funds managed by the Manager representing approximately 23.5% of the total management fees received by the Manager from the funds managed by the Manager during such periods.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This section contains a general summary of the principal Canadian federal income tax considerations that generally apply to individuals who, for the purposes of the Tax Act, are resident in Canada, are not affiliated and deal at arm's length with the Funds and hold Securities of a Fund as capital property. This summary is not intended to be legal or tax advice. You should consult with your own tax advisor to assess the tax implications of acquiring, holding, or disposing of Securities of a Fund based on your own unique circumstances.

For more detailed information, refer to "Income Tax Considerations for Investors" in the Annual Information Form.

General

This summary is based on a number of assumptions, as more particularly set out under the heading "Income Tax Considerations for Investors" in the Annual Information Form. This summary is based, in part, on the assumption that the Corporation is a "mutual fund corporation" for purposes of the Tax Act.

If a Trust Fund were not to qualify, at all times, as a "mutual fund trust", or if Redwood Corp. were not to qualify, at all times, as a "mutual fund corporation", the income tax considerations described in this summary would, in some respects, be materially different.

The higher a Fund's portfolio turnover rate in a year, the greater the chance it will generate gains and losses in that year, which may result in the acceleration of the recognition of taxable capital gains if net gains are realized. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

How You Earn Income From a Fund

For Canadian income tax purposes, you must compute and report all income, capital gains, and other amounts in respect of your investment in a Fund in Canadian dollars.

If you have invested in a Trust Fund, you earn income for tax purposes on your investment when the Fund distributes its income and capital gains to you and when you redeem or dispose of your Securities for an amount greater than the amount you paid for them, subject to certain adjustments.

If you have invested in a Corporate Fund, you earn income for tax purposes on your investment when you receive a dividend and when you redeem or dispose of your Securities for an amount greater than the amount you paid for them, subject to certain adjustments.

The amount you paid for your Securities of a Fund is directly relevant to the computation of your "adjusted cost base" of the Securities. The calculation of the adjusted cost base is described under the subheading "Redeeming Your Securities" below.

Securities Held in a Registered Tax Plan

Provided that a Trust Fund qualifies as a "mutual fund trust" for the purposes of the Tax Act or the units are listed on a Designated Exchange, or the Trust Fund is a registered investment under the Tax Act, units of the Fund will be qualified investments for trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), deferred profit sharing plans ("DPSPs"), registered disability savings plans ("RDSPs"), registered education savings plans ("RESPs") and tax-free savings accounts ("TFSAs") (collectively, "registered plans"). Provided that Redwood Corp. qualifies as a "mutual fund corporation" for the purposes of the Tax Act, the Securities of a Corporate Fund will be qualified investments for registered plans. Annuitants of RRSPs, RRIFs, subscribers of RESPs and holders of TFSAs and RDSPs should consult with their own tax advisors as to whether units or shares of a Fund would be a "prohibited investment" within the meaning of the Tax Act in their particular circumstances.

If you hold your Securities of a Fund in a registered plan, you generally do not have to pay taxes on distributions or on redeeming your Securities within such a plan. Taxes will generally be payable when you take money out of such a plan (other than a TFSA and certain withdrawals from an RESP or RDSP).

Any securities received on the redemption of ETF Securities of a Fund may not be qualified investments for registered plans.

Securities Not Held in a Registered Plan

Distributions and Dividends

If you hold Securities of a Trust Fund outside of a registered plan, you are required to include in computing your income for tax purposes any net income and the taxable portion of any net capital gains (computed in Canadian dollars) distributed to you by the Trust Fund, whether you receive the distributions in cash or they are reinvested in additional Securities of the Fund. The gross-up and dividend tax credit rules that apply to taxable dividends received from a taxable Canadian corporation, including the enhanced gross-up and dividend tax credit rules applicable to "eligible dividends," will apply to such dividends that are designated to you by the Trust Fund. A Trust Fund may also designate to you any of its realized capital gains. Such designated capital gains paid by the Fund will be treated as realized capital gains to you. Distributions may include foreign exchange gains because the Trust Funds are required to report income and net realized capital gains in Canadian dollars for tax purposes. The taxation of capital gains is described under the subheading "Taxation of Capital Gains and Capital Losses" below. A Trust Fund may also designate to you its foreign source income which will, effectively, retain its character for tax purposes and be treated as foreign source income earned by you. Foreign source income received by a Trust Fund will generally be net of any taxes withheld in the foreign jurisdiction. The taxes so withheld will be included in the determination of the Trust Fund's income under the Tax Act. To the extent that a Trust Fund so designates, you will, for the purpose of computing foreign tax credits, be entitled to treat your proportionate share of such taxes withheld as though they were foreign taxes paid by you. Distributions by a Trust Fund of management fee rebates will generally be paid out of net income or net realized capital gains of the Fund.

Generally, gains realized by a Trust Fund from the use of derivative securities will result in the distribution of income rather than capital gains unless the derivative is used to hedge capital items in accordance with the CRA's published administrative practices and jurisprudence.

If you hold Securities of a Corporate Fund outside of a registered plan, you are required to include in computing your income for tax purposes any dividend paid to you by the Corporation, whether the dividend is paid in cash or reinvested in additional Securities. A dividend will either be a taxable dividend or a capital gains dividend. The gross-up and dividend tax credit rules that apply to taxable dividends received from a taxable Canadian corporation, including the enhanced gross-up and dividend tax credit rules applicable to "eligible dividends," will apply to taxable dividends paid by a Corporate Fund. A capital gains dividend received by you on Securities of a Corporate Fund will be treated as a capital gain realized by you, the tax treatment of which is described under the subheading

“Taxation of Capital Gains and Capital Losses” below. Management fee rebates paid by a Corporate Fund, if any, will generally be fully taxable as ordinary income.

Each Fund may pay a return of capital. For example, in the case of a Trust Fund, where distributions are in excess of the amount of income and capital gains distributed by the Trust Fund, the excess is a return of capital. Redwood Corp. may in certain circumstances declare and pay a return of capital on its shares. A return of capital received from a Fund is not taxable, but will reduce the adjusted cost base of your Securities on which the return of capital was paid. If the adjusted cost base of your Securities becomes a negative amount at any time in a taxation year, you will be deemed to realize a capital gain equal to that amount and the adjusted cost base of those Securities will be reset to zero. The amount of any distributions reinvested in Securities of any Fund will be added to the adjusted cost base of those Securities.

The value of your Securities may be attributable to income or capital gains that a Fund has earned, accrued or realized, but not yet distributed. If you purchase Securities before a Trust Fund makes a distribution of such retained income or capital gains, or before Redwood Corp. declares a dividend, you will have to include the amount of such distribution or dividend in computing your income for tax purposes for the year, even though it may include income or capital gains that the Fund earned before you acquired Securities. That means you may have to pay tax on your proportionate share of the net income or net realized capital gains the Fund earned for the whole year, even though you were not invested in the Fund during the whole year. This consideration may be particularly relevant to you if you purchase Securities late in the year since some of the Funds generally pay their only or largest distributions at the end of a year.

Management fees paid on I Securities will not be deductible.

Redeeming Your Securities

Upon the disposition or deemed disposition of a security of a Fund, including a redemption, sale, transfer or a switch of Securities between the Funds a securityholder will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of the security exceed (or are less than) the aggregate of the adjusted cost base of the security and any reasonable costs of disposition. Notwithstanding the foregoing, a switch between Canadian dollar Securities of the same Fund (unless it is a switch between a currency hedged and non-currency hedged series of vice versa) and a switch between Canadian dollar Securities of Funds within Redwood Corp. are generally not considered to be dispositions for tax purposes (except to the extent Securities are redeemed to pay a switching fee). In the case of such tax-deferred switches, the securityholder’s adjusted cost base of the Securities received on the switch will equal the adjusted cost base of the original Securities held by the securityholder.

In general, the aggregate adjusted cost base of your Securities of a particular Fund equals:

- your initial investment in Securities of the Fund (including any sales charges paid);
- plus the cost of any additional investments in Securities of the Fund (including any sales charges paid);
- plus reinvested distributions;
- less the capital returned as part of any distributions;
- less the adjusted cost base of any Securities previously disposed of.

Each Fund will provide you with details regarding your proceeds of disposition from a redemption of your Securities of the Fund. However, in order to calculate your capital gain (or capital loss) resulting from a redemption or other disposition of Securities, you need to know the aggregate adjusted cost base of your Securities before the disposition.

Taxation of Capital Gains and Capital Losses

Generally, one-half of a capital gain (a "taxable capital gain") is included in computing income and one-half of a capital loss (an "allowable capital loss") is deductible against taxable capital gains in accordance with the provisions of the Tax Act. All amounts relevant to such computation must be determined in Canadian dollars for tax purposes.

In certain situations where you dispose of Securities of a Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if you, your spouse or another person affiliated with you (including a corporation controlled by you) has acquired Securities of the same Fund (which are considered to be "substituted property") within 30 days before or after you dispose of your Securities. In these circumstances, your capital loss may be deemed to be a "superficial loss" and denied. The amount of the denied capital loss will be added to the adjusted cost base to the owner of the Securities which are substituted property.

Alternative Minimum Tax

Individuals who receive taxable dividends and capital gains dividends from Corporate Funds or distributions as taxable dividends or capital gains from Trust Funds or who realize net capital gains from the disposition of Securities of a Fund may be subject to alternative minimum tax under the Tax Act.

WHAT ARE YOUR LEGAL RIGHTS?

Mutual Fund Securities

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy Mutual Fund Securities and receive your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form, fund facts or financial statements misrepresent any facts about a Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or consult your lawyer.

ETF Securities

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase mutual fund securities offered in a distribution within two (2) business days after receipt of a prospectus and any amendment. In addition, securities legislation in certain of the provinces and territories of Canada provides purchasers of mutual fund securities with a limited right to rescind the purchase within 48 hours after receipt of a confirmation of such purchase. If the purchase of mutual fund securities is made under a contractual plan, the time period during which the right to rescind is exercisable may be longer. In most of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or damages, or, in Québec, revision of the price, if the prospectus and any amendment is not delivered to the purchaser, provided that the remedies for rescission, damages or revision of the price are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

Notwithstanding the foregoing, purchasers of ETF Securities will not have the right to withdraw from an agreement to purchase the ETF Securities after the receipt of a prospectus and any amendment, and will not have remedies for rescission, damages or revision of the price for non-delivery of the prospectus or any amendment, if the dealer receiving the purchase order has obtained an exemption from the prospectus delivery requirement under a decision pursuant to National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* ("NP 11-203"). However, purchasers of ETF Securities will, in the applicable provinces and territories of Canada, retain their right under securities legislation to rescind their purchase within 48 hours (or, if purchasing under a contractual plan, such longer time period as applicable) after the receipt of a confirmation of purchase.

In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus, together with any amendment to the prospectus, contains a misrepresentation, provided that such remedies are exercised by the purchaser within the time limits prescribed by the securities legislation of the purchaser's province or territory. Any remedies under securities legislation that a purchaser of ETF Securities may have for rescission or damages, if the prospectus and any amendment to the prospectus contains a misrepresentation, remain unaffected by the non-delivery of the prospectus pursuant to reliance by a dealer upon the decision referred to above.

However, Redwood may rely on exemptive relief from the requirement in securities legislation to include an underwriter's certificate in the prospectus under a decision pursuant to NP 11-203. As such, purchasers of ETF Securities will not be able to rely on the inclusion of an underwriter's certificate in the prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter's certificate.

Purchasers should refer to the applicable provisions of the securities legislation and the decisions referred to above for the particulars of their rights or consult with a legal advisor.

ADDITIONAL INFORMATION

The Funds may rely on exemptive relief from the Canadian securities regulatory authorities to permit the following:

(a) the purchase by a securityholder of a Fund of more than 20% of the ETF Securities of that Fund through purchases on a stock exchange without regard to the take-over bid requirements of Canadian securities legislation;

(b) to relieve the Funds from the requirement that a prospectus contain a certificate of the underwriters;

(c) to relieve the Funds from the requirement to include in the prospectus a statement respecting purchasers' statutory rights of withdrawal and remedies of rescission as prescribed in Item 11 of Part A of Form 81-101F1 – *Contents of Simplified Prospectus*; and

(d) to relieve the Funds from the requirement to prepare and file a long form prospectus in accordance with National Instrument 41-101 – *General Prospectus Requirements* for the ETF Securities in the form prescribed by Form 41-101F2 – *Information Required in an Investment Fund Prospectus* provided that the Funds file a prospectus for the ETF Securities in accordance with the provisions of National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*, other than the requirements pertaining to the filing of a fund facts document.

Additionally, certain dealers of the Funds, including the designated broker and Dealers, have received exemptive relief from the Canadian securities regulatory authorities from the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the securities legislation of the provinces and territories apply, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement. As a condition of this exemptive relief, the dealer is required to deliver a copy of the ETF Facts document of the applicable Fund to a purchaser if the dealer does not deliver a copy of this prospectus.

PART B

SPECIFIC INFORMATION ABOUT EACH OF THE FUNDS DESCRIBED IN THIS DOCUMENT

In this part of the Simplified Prospectus we have set out fund-specific information to assist you in reviewing the Funds and evaluating which Fund is appropriate for your investment needs. The specific information for each Fund is divided into the following sections.

Fund details

This section identifies the type of fund, the date on which each Fund was started, the Securities offered by the Fund, the Fund's eligibility as an investment for registered plans, the management fees of the Funds and the Fund's portfolio adviser.

What do the Funds invest in?

This section describes the various investment objectives and investment strategies and philosophies of each Fund. Each Fund will need the approval of its shareholders to change its fundamental investment objective. The Funds follow standard investment restrictions and practices established by the Canadian securities regulatory authorities.

Investment Objective: This is the investment goal of the Fund. This section will provide details about the kinds of securities the Fund invests in, as well as any special focus, such as concentration on a particular country or industry.

Investment Strategies: This tells you how the Portfolio Adviser tries to achieve the Fund's objective. Each of the Funds follows the standard investment restrictions and practices established by Canadian securities regulators, unless securities regulators have given a Fund approval to vary its strategies from these restrictions. If any Fund has obtained an approval, it is described in this section and in the annual information form. Each Fund may also hold cash while waiting to invest in other securities. A Fund may buy short-term fixed income securities and money market instruments, or it may deposit the cash in interest-bearing accounts with a bank or trust company.

How the Funds Use Derivatives

A derivative is an investment that derives its value from another investment - called the underlying investment. This could be a stock, bond, currency or market index. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Some examples of derivatives are options, futures and forward contracts.

Each Fund may use derivatives as permitted by securities regulations. They may use them to hedge their investments against losses from factors like currency fluctuations, stock market risks and interest rate changes. Or they may use derivatives to invest indirectly in securities or financial markets, provided the investment is consistent with the fund's investment objective.

When a Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its position in the derivative, as required by securities regulations.

Securities Lending, Repurchase Transactions and Reverse Repurchase Transactions

The Funds may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions.

A securities lending transaction is where a fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the fund at a later date an equal number of the same securities and to pay a fee to the fund for borrowing the securities. While the securities are borrowed, the borrower provides the fund with collateral consisting of a combination of cash and securities. In this way, the fund retains exposure to changes in the value of the borrowed securities while earning additional fees.

A repurchase transaction is where a fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price using the cash received by the fund from the third party. While the fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction.

A reverse repurchase transaction is where a fund purchases certain types of debt securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the fund's purchase price for the debt instruments and the resale price provides the fund with additional income.

How the Funds engage in short selling

A short sale by a Fund involves borrowing securities from a lender and selling those securities in the open market (or "selling short" the securities). At a later date, the same number of securities are repurchased by that Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender on the borrowed securities. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund will make a profit for the difference (less any interest the Fund is required to pay to the lender). Selling short provides the Funds with more opportunities for profits when markets are generally volatile or declining.

The Fund may engage in short selling should securities be identified that are trading at a significant premium to their intrinsic value and are anticipated to decline in value. The Fund may also engage in short selling as a means of implementing a "hedge" in an attempt to lessen Fund volatility in declining markets. In this instance, the Fund would sell short securities representing a market index or sub index. The Fund may also sell short a security as a means of capturing a pricing disparity between itself and a related security, which would be purchased or held "long". This process of capturing price differences between related securities is referred to as arbitrage. Examples of such an action would include companies involved in merger or acquisition activity or other corporate action.

The Funds will engage in short selling only within certain controls and limitations and pursuant to applicable securities legislation. Securities legislation imposes the following conditions and limits on the Funds' short-selling activities. Securities will be sold short only for cash. A security sold short shall not be: (i) a security that the mutual fund is otherwise not permitted to purchase at the time of the short sale transaction; (ii) an illiquid asset; or (iii) a security of an investment fund unless the security is an index participation unit.

At the time securities of a particular issuer are sold short by a Fund, (i) the Fund has borrowed or arranged to borrow from a borrowing agent the security that is to be sold under the short sale transaction; (ii) the aggregate market value of all securities of that issuer sold short will not exceed 5% of the net asset value of the Fund and (iii) the aggregate market value of all securities sold short by a Fund will not exceed 20% of the net asset value of the Fund. The Fund will also hold cash cover (as defined in NI 81-102) in an amount, including the Fund's assets deposited with borrowing agents as security in connection with short sale transactions, that is at least 150% of the aggregate market value of all securities it sold short on a daily marked-to-market basis. No proceeds from short sales will be used by a Fund to purchase long positions other than cash cover.

Investments in underlying funds

The Funds may invest in securities of underlying mutual funds, including mutual funds managed by the Manager or its affiliates, subject to certain conditions. The Manager will either not vote the securities of underlying mutual funds or will pass along the voting rights directly to securityholders of such Funds. The Manager may, in some circumstances, choose not to pass the vote to securityholders because of the complexity and costs associated with doing so.

A Fund may only invest in securities of other investment funds if, among other things:

- the other fund is subject to National Instrument 81-102 - *Investment Funds* ("NI 81-102") and offers or has offered securities under a simplified prospectus in accordance with National Instrument 81-101 - *Mutual Fund Prospectus Disclosure* ("NI 81-101");

- at the time the Fund purchases securities of the other investment fund, the other investment fund holds no more than 10% of its net asset value in securities of other investment funds;

- the other investment fund is a reporting issuer in the local jurisdiction;
- no management fees or incentive fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the other investment fund for the same service;
- no sales fees or redemption fees are payable by the Fund in relation to its purchases or redemptions of the securities of the other investment fund if the other investment fund is managed by the Manager or an affiliate or associate of the Manager; and
- no sales fees or redemption fees are payable by the Fund in relation to its purchases or redemptions of securities of the other investment fund that, to a reasonable person, would duplicate a fee payable by an investor in the Fund.

Investments in ETFs

An index participation unit under applicable Canadian mutual fund rules, is a security traded on a stock exchange in Canada or the U.S. that is issued by an issuer the only purpose of which is to: hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in that index, or invest in a manner that causes the issuer to replicate the performance of that index.

Under applicable securities legislation, a mutual fund is permitted to invest in an ETF whose securities qualify as IPUs if:

- the investment objective of the ETF is consistent with the mutual fund's investment objective;
- no management fees or portfolio management fees are payable by the mutual fund that would duplicate a fee payable by the ETF;
- no sales charges or deferred sales charges are payable by the mutual fund in relation to its purchases or redemptions of the securities of the ETF, except for trading costs; and
- no sales fees or redemption fees, other than brokerage fees, are payable by the mutual fund in relation to its purchases or redemptions of the securities of the ETF that, to a reasonable person, would duplicate a fee payable by an investor in the ETF.

Subject to certain conditions, the Funds may also rely on exemptive relief in order to invest in ETFs managed by an affiliate of Redwood and whose securities do not qualify as IPUs and which permit the Funds to:

- purchase a security of an ETFs or enter into a specified derivatives transaction with respect to an ETF even though, immediately after the transaction, more than 10% of the net asset value of the Fund would be invested, directly or indirectly, in the securities of the ETF;
- purchase securities of an ETF such that, after the purchase, the Fund would hold securities representing more than 10% of: (i) the votes attaching to the outstanding voting securities of the ETF; or (ii) the outstanding equity securities of the ETF; and
- invest in ETFs that are not subject to NI 81-101.

What are the risks of investing in the Fund?

This section tells you the specific risks of investing in a Fund. You'll find a description of each risk starting on page 7 under the heading "General investment risks?"

Here is an explanation of the fund risk classification methodology:

Fund Risk Classification

This section tells you the type of investment portfolio or investor the Fund may be suitable for. This is meant as a general guide only. For advice about your own circumstances, you should consult your financial advisor.

We assign an investment risk rating to each Fund to provide you with further information to help you determine whether the Fund is appropriate for you. Each Fund is assigned an investment risk rating in one of the following categories: low, low to medium, medium, medium to high or high risk.

We determine the risk rating for each Fund in accordance with NI 81-102. The investment risk level of a Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Fund as measured by the 10-year standard deviation of the returns of the Fund. Just as historical performance may not be indicative of future returns, a Fund's historical volatility may not be indicative of its future volatility. You should be aware that other types of risk, both measurable and non-measurable, also exist.

Standard deviation is a statistical measure used to estimate the dispersion of a set of data around the average value of the data. In the context of investment returns, it measures the amount of variability of returns that has historically occurred relative to the average return. The higher the standard deviation, the greater the variability of returns it has experienced in the past.

A Fund's risk rating is determined by calculating its standard deviation for the most recent 10 years using monthly returns and assuming the reinvestment of all income and capital gains distributions in additional units of the Fund. For those Funds that do not have at least 10 years of performance history, we use a reference index that reasonably approximates or, for a newly established fund, that is reasonably expected to approximate, the standard deviation of the Fund (or in certain cases a highly similar mutual fund managed by us) as a proxy. There may be times when we believe this methodology produces a result that does not reflect a Fund's risk based on other qualitative factors. As a result, we may place the Fund in a higher risk rating category, as appropriate. We review the risk rating for each Fund on an annual basis or if there has been a material change to a Fund's investment objectives or investment strategies

Each Fund is assigned an investment risk rating in one of the following categories:

- **Low –** for funds with a level of risk that is typically associated with investments in money market funds and Canadian fixed income funds;
- **Low to Medium** – for funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed income funds;
- **Medium** – for funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;
- **Medium to High** – for funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific sectors of the economy; and
- **High** – for funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is substantial risk of loss (e.g. emerging markets, precious metals).

Information about the methodology used by the Manager to determine the Fund's risk level is available on request, at no cost by calling toll free at 1-877-313-7011 or by writing Client Services at Redwood Asset Management Inc. 130 Adelaide Street West, Suite 1700, P.O. Box 83, Toronto, Ontario M5H 3P5.

Who should invest in this Fund?

This section tells you the kind of investor the Fund may be suitable for and how the Fund could fit into your portfolio. When you are choosing a Fund to invest in, you need to ask yourself what you are expecting from your investments, how long you are planning to invest your money, and how much risk you are willing to accept. You should also think about how the Fund will work with your other investments.

Fund Expenses Indirectly Borne by Investors

Each Fund pays its own operating expenses which in turn reduces the Fund's returns. These tables show the fees and expenses paid by you if you hold Securities of a Fund assuming: (a) a $1,000 investment in the series/class of the Fund; (b) the series/class of the Fund earns a 5% total return in each period; (c) the series/class of the Fund paid the same management expense ratio ("MER") for the entire period as it did in its last financial year; and (d) a performance fee (if any) based on the series/class of the Fund earning a 5% total return in its last financial year. Where the Manager has waived a portion of its management fee or absorbed some of the Fund's operating expenses during the past financial year, the MER would have been higher than in instances where no such waiver or absorption occurred and consequently would have increased the Fund's expenses indirectly borne by you. For more information on fees and expenses paid directly by you, see "Fees and Expenses".

REDWOOD EMERGING MARKETS DIVIDEND FUND

FUND DETAILS

Type of Fund:	Emerging Markets Fund
Inception:	A units: November 5, 2010
	F units: November 5, 2010
	I units: November 27, 2013
	ETF units: August 23, 2017
Securities Offered:	A units, F units, I units, and ETF units
Registered Tax Plan Status:	Eligible as an investment for RRSPs, RRIFs, DPSPs, RESPs, LIFs, LIRAs, LRSPs, RDSPs and TFSAs

WHAT DOES THE FUND INVEST IN?

Investment Objective

The objective of the Fund is to generate capital appreciation by investing in a basket of emerging market equities, while mitigating downside risk. A secondary objective of the Fund is to generate a high level of dividend income from those investments.

Securityholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

Investment Philosophy

The portfolio sub-advisor

- manages long term, bottom up, conviction-driven, concentrated (40-stock) portfolios
- has a consistent investment approach which does not change with markets
- focuses on reducing absolute risk through rigorous research and analysis
- utilizes a 30% top down and 70% bottom up blend enabling a clear strategic direction for its research process
- works with a focused, tight-knit team complimented by a highly ordered research process

Investment Decision-Making Process

The portfolio sub-advisor starts with daily screens looking for stocks with an above-average dividend yield and low price to earnings or price to book ratios. This is reduced to a workable but ever evolving pool of about 300-350 stocks which are visited, analysed and scrutinised by the sub-advisor's team of managers and analysts. This pool then feeds into a 100-stock watch list that is subjected to rigorous research and due diligence and from which the sub-advisor forms a 40-stock dividend income portfolio.

It is generally expected that in normal market conditions at least 75% of the Fund's investments will be in foreign issuers. Where possible, all foreign currency exposure will be hedged back to the Canadian dollar.

In order to generate additional returns, the Fund may lend securities included in the Fund's portfolio to securities borrowers acceptable to the Fund pursuant to the terms of a securities lending agreement between the Fund and such borrower (each a "Securities Lending Agreement"). Under a Securities Lending Agreement: (i) the borrower will pay to the Fund a negotiated securities lending fee and will make compensation payments to the Fund equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Fund will receive collateral security.

The Fund may use specified derivatives, such as options, futures, forward contracts, swaps and other similar investments, in a manner which is consistent with the investment objective of the Fund and as permitted by applicable securities legislation, for hedging and non-hedging purposes to:

- gain exposure to equity instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the equity instrument itself or when it achieves greater liquidity and increased speed and flexibility in making portfolio changes);
- enhance income; and
- offset or reduce risks associated with an investment or group of investments, such as foreign currency exposure.

You will find more information about derivatives under "Derivatives Risk".

The Fund may engage in short selling, which involves borrowing securities from a lender, which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any interest the Fund is required to pay to the lender). In this way, the Fund has more opportunities for gains when markets are generally volatile or declining.

The Fund may engage in short selling should securities be identified that are trading at a significant premium to their intrinsic value and are anticipated to decline in value. The Fund may also engage in short selling as a means of implementing a "hedge" in an attempt to lessen Fund volatility in declining markets. In this instance, the Fund would sell short securities representing a market index or sub index. The Fund may also sell short a security as a means of capturing a pricing disparity between itself and a related security, which would be purchased or held "long". This process of capturing price differences between related securities is referred to as arbitrage. Examples of such an action would include companies involved in merger or acquisition activity or other corporate action. For a more detailed description of short selling, please refer to "Specific information about each of the mutual funds described in this document" beginning on page 45 of this document.

The Manager may change the Fund's investment strategies at its discretion without notice to or approval of securityholders.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Most of the Fund's assets will be invested in common shares, principally foreign securities. As a result, the Fund is exposed to the following risks:

- absence of an active market for the ETF Securities
- asset-backed and mortgage-backed securities risk
- changes in legislation risk
- class risk
- commodity risk
- concentration risk
- conflicts of interest risk
- credit risk

- currency risk
- derivative risk
- emerging markets risk
- ETF risk
- exchange of tax information risk
- income trust risk
- inflation risk
- interest rate risk
- international investment risk
- issuer risk
- large redemption risk
- legal risk
- liquidity risk
- market risk
- multi-class/series risk
- no ownership interest risk
- rebalancing and adjustment risk
- regulatory risk
- reliance on the manager, portfolio and sub-advisor risk
- securities lending and repurchase and reverse repurchase transaction risk
- short selling risk
- small company risk
- specialization risk
- tax risk
- trading price of ETF Securities risk

We have classified this Fund's risk level as medium. The Fund's risk classification is based on the Fund's returns and a blended benchmark return made up of 50% of the MSCI World (CAD) Index and 50% of the MSCI Emerging Markets (CAD) Index. The MSCI World (CAD) Index tracks the performance of large and mid-cap equity performance across twenty-three developed markets countries and the MSCI Emerging Markets (CAD) Index tracks the performance of large and mid-cap securities in twenty-four emerging markets. Please see "General Investment Risks" in Part A for more detailed descriptions of these risks and "Fund Risk Classification" for a description of the methodology we use to classify this Fund's risk level.

WHO SHOULD INVEST IN THIS FUND?

The Fund may be suitable for growth-oriented investors with longer investment time horizons who are seeking equity exposure to companies throughout the world and are willing to accept medium investment risk. Investors can invest a component of their total portfolio in the Fund to provide portfolio diversification.

DISTRIBUTION POLICY

The Fund intends to distribute sufficient income and capital gains annually to its securityholders such that the Fund will not be liable to pay Part I tax under the Tax Act. The Fund intends to distribute income and capital gains annually in December, at the sole discretion of the Manager. In addition, the Fund may distribute income, capital gains or returns of capital at any time. All distributions are reinvested in securities of the Fund at the applicable net asset value without any fee.

We may make monthly distributions of taxable Canadian dividends, capital gains and other income, generally payable at the end of each month. Monthly distributions are automatically reinvested in securities of the Fund at the applicable net asset value without any fee, unless you tell us in writing that you would prefer cash payment.

The Fund may at its discretion change its distribution policy from time to time.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns. The table below allows you to compare the cumulative cost of investing $1,000 in the Fund with the cost of investing in other mutual funds. It is intended to help you compare the cumulative cost of investing in the Fund for the time periods indicated if:

- you sell all of your securities at the end of those periods;
- your investment has an annual 5% return; and
- the Fund's management expense ratio during the 10-year period remains the same each year as in the Fund's last completed financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

For A Securities:

Time Period	**Expenses Payable**
One Year	$37.69
Three Years	$120.25
Five Years	$213.22
Ten Years	$498.80

For F Securities:

Time Period	**Expenses Payable**
One Year	$31.61
Three Years	$101.42
Five Years	$180.86
Ten Years	$428.95

For I Securities:

This information is not available because I Securities have not yet been distributed to the public.

For ETF Securities:

As the ETF Securities of the Fund have not yet been distributed for a full financial year, this information is not yet available.

See "Fees and Expenses" above for more information about the costs of investing in the Fund.

REDWOOD PENSION CLASS

FUND DETAILS

Type of Fund:	Global Neutral Balanced Fund
Inception:	A shares: January 16, 2008
	A USD shares: August 11, 2014
	F shares: March 23, 2017
	F USD shares: November 7, 2014
	PHP shares: July 18, 2013
Securities Offered:	A shares, A USD shares, F shares, F USD shares and PHP shares of Redwood Corp.
Registered Tax Plan Status:	Eligible as an investment for RRSPs, RRIFs, DPSPs, RESPs, LIFs, LIRAs, LRSPs, RDSPs and TFSAs

WHAT DOES THE FUND INVEST IN?

Investment Objective

The objective of the Fund is to deliver a balance of long-term capital appreciation and income by investing in a diversified mix of equity and income funds and individual securities, with some bias towards capital appreciation.

Securityholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

To achieve the Fund's investment objective, the Portfolio Advisor will employ the following strategies:

- Investing in units of other mutual funds
- Investing in the units of Redwood managed mutual funds, subject to regulatory approval
- Investing in ETFs and individual equities
- Investing indirectly in commodities as permitted by NI 81-102
- Option and derivate strategies for hedging and non-hedging purposes
- Shorting ETFs and individual securities subject to 81-102

The Redwood Pension Class employs the very successful model of many Ivy League endowment funds in utilizing a broader asset allocation than is traditionally utilized in traditional balanced funds. The Fund is agnostic to traditional benchmarks. The core of the Fund will be invested in units with either active or passive investment mandates. Active managers will be utilized where the Portfolio Advisor believes that a sufficient opportunity exists for the selected mandate to add value on an after fees basis. In addition, the Fund can invest in individual securities where there is a superior risk reward and where the issuer company ascribes to an investment theme or thesis also held by the Portfolio Advisor. The Fund can also utilize options and derivatives for hedging or non-hedging purposes, where the Portfolio Advisor believes that an opportunity exists to enhance returns or mitigate risk.

The Fund may follow a more concentrated investment approach and from time to time overweight (all or any portion of the Fund's assets) certain sectors, when deemed appropriate by the Portfolio Advisor. This may result in the Fund's portfolio weightings being substantially different from the weightings of the MSCI World Index and the Barclays Aggregate Bond Index.

The Fund may invest in securities of underlying mutual funds, including mutual funds managed by the Manager, provided that: (i) the other mutual fund is subject to the provisions of National Instrument 81-102; (ii) the securities of the underlying mutual fund are qualified in the same jurisdiction as the Fund; (iii) there is no duplication of management or incentive fees; (iv) if the underlying mutual fund is managed by the Manager, no sales or redemption fees are paid by the Fund in respect of investment in the underlying mutual fund; and (v) no sales or redemption fees are payable by the Fund in respect of investment in the underlying mutual fund if such fees duplicate a fee payable by an investor in the Fund.

In order to generate additional returns, the Fund may lend securities included in the Fund's portfolio to securities borrowers acceptable to the Fund pursuant to the terms of a securities lending agreement between the Fund and such borrower (each a "Securities Lending Agreement"). Under a Securities Lending Agreement: (i) the borrower will pay to the Fund a negotiated securities lending fee and will make compensation payments to the Fund equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Fund will receive collateral security.

The Fund may use specified derivatives, such as options, futures, forward contracts, swaps and other similar investments, in a manner which is consistent with the investment objective of the Fund and as permitted by applicable securities legislation, for hedging and non-hedging purposes to:

- gain exposure to equity instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the equity instrument itself or when it achieves greater liquidity and increased speed and flexibility in making portfolio changes);
- enhance income; and
- offset or reduce risks associated with an investment or group of investments, such as foreign currency exposure.

You will find more information about derivatives under "Derivatives Risk".

The Fund may engage in short selling should securities be identified that are trading at a significant premium to their intrinsic value and are anticipated to decline in value. The Fund may also engage in short selling as a means of implementing a "hedge" in an attempt to lessen Fund volatility in declining markets. In this instance, the Fund would sell short securities representing a market index or sub index. The Fund may also sell short a security as a means of capturing a pricing disparity between itself and a related security, which would be purchased or held "long". This process of capturing price differences between related securities is referred to as arbitrage. Examples of such an action would include companies involved in merger or acquisition activity or other corporate action. For a more detailed description of short selling, please refer to "Specific information about each of the mutual funds described in this document" beginning on page 45 of this document.

The Manager may change the Fund's investment strategies at its discretion without notice to or approval of securityholders.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund is generally exposed to the following risks:

- calculation and termination of the indices risk
- cease trading of constituent securities risk
- changes in legislation risk
- class risk
- concentration risk

- conflicts of interest risk
- currency risk
- derivatives risk
- ETF risk
- inflation risk
- interest rate risk
- international investment risk
- large redemption risk
- liquidity risk
- market risk
- multi-class/series risk
- no ownership interest risk
- real estate risk
- regulatory risk
- reliance on the manager, portfolio and sub-advisor risk
- securities lending and repurchase and reverse repurchase transaction risk
- short-selling risk
- substantial securityholder risk
- tax risk
- underlying fund risk
- valuation risk

During the past 12 months, the portfolio had a maximum of 10.51% of its net assets invested in securities of Biotricity Inc. See "Concentration Risk" for more information.

We have classified this Fund's risk level as high. The Fund's risk classification is based on the Fund's returns and a blended benchmark return made up of 50% of the MSCI World (CAD) Index and 50% of the Barclays Aggregate Bond Index. The MSCI World (CAD) Index tracks the performance of large and mid-cap equity performance across twenty-three developed markets countries and the Barclays Aggregate Bond Index tracks the performance of US fixed income universe. Please see "General Investment Risks" in Part A for more detailed descriptions of these risks and "Fund Risk Classification" for a description of the methodology we use to classify this Fund's risk level.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for investors who have a tolerance for high risk, and a medium to long-term time horizon. A USD Securities and F USD Securities are for investors who want to invest in the Fund in US dollars.

DISTRIBUTION POLICY

The Fund may distribute taxable dividends and capital gains dividends annually, if any, in December, at the sole discretion of the Manager. In addition, the Fund may pay dividends or returns of capital at any time.

The Fund may at its discretion change its distribution policy from time to time.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns. The table below allows you to compare the cumulative cost of investing $1,000 in the Fund with the cost of investing in other mutual funds. It is intended to help you compare the cumulative cost of investing in the Fund for the time periods indicated if:

- you sell all of your securities at the end of those periods;

- your investment has an annual 5% return; and

- the Fund's management expense ratio during the 10-year period remains the same each year as in the Fund's last completed financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

For A Securities:

Time Period	Expenses Payable
One Year	$36.22
Three Years	$115.73
Five Years	$205.48
Ten Years	$482.28

For F Securities:

As the F Securities of the Fund have not yet been distributed for a full financial year, this information is not yet available.

For A USD Securities:

Time Period	Expenses Payable
One Year	$36.33
Three Years	$116.05
Five Years	$206.04
Ten Years	$483.47

For F USD Securities:

Time Period	Expenses Payable
One Year	$25.10
Three Years	$81.03
Five Years	$145.40
Ten Years	$350.00

For PHP Securities:

Time Period	Expenses Payable
One Year	$22.26
Three Years	$72.08
Five Years	$129.67
Ten Years	$314.18

See "Fees and Expenses" above for more information about the costs of investing in the Fund.

REDWOOD UNCONSTRAINED BOND FUND

FUND DETAILS

Type of Fund:	Global Fixed Income
Inception:	A units November 27, 2013
	F units: November 27, 2013
	I units: November 27, 2013
	A USD units: March 10, 2014
	F USD units: March 10, 2014
	ETF units: December 14, 2016
Securities Offered:	A units, F units, I units, A USD units, F USD units and ETF units
Registered Tax Plan Status:	Eligible as an investment for RRSPs, RRIFs, DPSPs, RESPs, LIFs, LIRAs, LRSPs, RDSPs and TFSAs

WHAT DOES THE FUND INVEST IN?

Investment Objective

The fundamental investment objective of the Fund is to maximize total return consistent with the preservation of capital.

To pursue its investment objective, the Fund invests primarily in fixed income securities.

Securityholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

The sub-advisor to the Fund, Scout Investments, Inc., through its Reams Asset Management Company LLP division, invests the Fund's assets primarily in fixed income instruments. The fixed income instruments in which the Fund may invest can be of varying maturities and include bonds, debt securities, mortgage- and asset-backed securities and other similar instruments issued by various foreign public or private-sector entities. The portfolio duration of the Fund will normally not exceed 8 years but may be greater based on market conditions. The Fund may also have a negative duration. Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. A portfolio with a negative duration generally incurs a loss when interest rates and yields fall. The Fund may invest in both investment grade securities and non-investment grade securities, also known as high yield securities or "junk" bonds. Investment grade securities include securities rated in one of the four highest rating categories by a nationally recognized statistical rating organization, such as BBB – or higher by Standard & Poor's Ratings Group ("S&P"). The Fund may purchase or sell securities on a when-issued, delayed delivery or forward commitment basis and may engage in short sales. The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into repurchase agreements or reverse repurchase agreements. The Fund may also invest without limitation in securities denominated in foreign currencies and in U.S. dollar denominated securities of foreign issuers. The Fund will only enter into repurchase and reverse repurchase transactions if there are suitable counterparties available and the transactions are considered appropriate. For a description of these transactions and the strategies to be used by the Fund to minimize the risks associated with these transactions, please see the discussion under "Repurchase and reverse repurchase transaction risk" commencing on page 16 of this Simplified Prospectus as well as the discussion in the AIF of the Fund.

The Fund may use specified derivatives, such as options, futures, forward contracts, swaps and other similar investments, in a manner which is consistent with the investment objective of the Fund and as permitted by applicable securities legislation, for hedging and non-hedging purposes to:

- gain exposure to equity instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the equity instrument itself or when it achieves greater liquidity and increased speed and flexibility in making portfolio changes);
- enhance income; and
- offset or reduce risks associated with an investment or group of investments, such as foreign currency exposure.

You will find more information about derivatives under "Derivatives Risk".

The Fund may invest in securities of underlying mutual funds, including mutual funds managed by the Manager or by the Sub-Advisor or affiliates of the Sub-Advisor, provided that: (i) the other mutual fund is subject to the provisions of National Instrument 81-102; (ii) at the time of investment, the underlying mutual fund holds no more than 10% of its net assets in another mutual fund (subject to those exceptions provided in National Instrument 81-102); (iii) the securities of the underlying mutual fund are qualified in the same jurisdiction as the Fund; (iv) there is no duplication of management or incentive fees; (v) if the underlying mutual fund is managed by the Manager, no sales or redemption fees are paid by the Fund in respect of investment in the underlying mutual fund; and (vi) no sales or redemption fees are payable by the Fund in respect of investment in the underlying mutual fund if such fees duplicate a fee payable by an investor in the Fund.

The Fund may also hold cash.

The Fund's annual turnover rate may exceed 100% and may vary greatly from year to year. This means the Fund may frequently trade the securities in its portfolio, which may have implications for you as an investor. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes in the form of taxable capital gains, which may be passed on to you when Fund shares are held in a taxable account. Your returns may be reduced by the higher trading costs associated with frequent trading.

How does the Fund choose securities in which to invest? The portfolio managers attempt to maximize total return by pursuing relative value opportunities throughout all sectors of the fixed income market. The portfolio managers' screen hundreds of securities to determine how each will perform in various interest rate environments. The portfolio managers construct these scenarios by considering the outlook for interest rates, fundamental credit analysis and option-adjusted spread analysis. The portfolio managers compare these investment opportunities and assemble the Fund's portfolio from the best available values. The Sub-Advisor constantly monitors the expected returns of the securities in the Fund versus those available in the market and of other securities the Sub-Advisor is considering for purchase. The Sub-Advisor's strategy is to replace securities that it feels are approaching fair market value with those that, according to its analysis, are significantly undervalued. As a result of this strategy, the Fund's portfolio turnover rate will vary from year to year depending on market conditions.

The Fund may invest a substantial portion of its assets in securities and instruments that are economically tied to one or more foreign countries if economic and business conditions warrant such investment. The Fund will invest no more than 50% of its net assets in investments in developing countries or emerging markets.

The Fund may engage in short selling, which involves borrowing securities from a lender, which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any interest the Fund is required to pay to the lender). In this way, the Fund has more opportunities for gains when markets are generally volatile or declining. The Fund may also engage in short selling should securities be identified that are trading at a significant premium to their intrinsic value and are anticipated to decline in value. The Fund may also engage in short selling as a means of implementing a "hedge" in an attempt to lessen Fund volatility in declining markets. The Fund may also sell short a security as a means of capturing a pricing disparity between itself and a related security, which would be purchased or held "long". This process of capturing price differences between related securities is referred to as arbitrage. The Fund will engage in short selling as a complement to the Fund's Investment Objectives. For a more detailed description of short selling, please refer to "Specific information about the fund" beginning on page 45 of this document.

The Manager may change the Fund's investment strategies at its discretion without notice to or approval of securityholders.

You will find more information about derivatives under "Derivatives Risk".

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund employs an approach which creates considerable exposure to certain types of securities that may present significant volatility in the Fund's performance, particularly over short periods of time. The return of principal in a fixed income fund is not guaranteed. Fixed income funds have the same interest rate, inflation, issuer and credit risks that are associated with underlying fixed income securities owned by the Fund. Foreign investments present additional risks due to currency fluctuations, economic and political factors, government regulations, differences in accounting standards and other factors. Investments in emerging markets involve even greater risks. Mortgage and Asset-Backed Securities are subject to prepayment risk and the risk of default on the underlying mortgages or other assets. High yield securities involve greater risk than investment grade securities and tend to be more sensitive to economic conditions and credit risk.

Derivatives such as options, futures contracts, currency forwards or swap agreements may involve greater risks than if the Fund invested in the referenced obligation directly. Derivatives may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk and risk that a fund could not close out a position when it would be most advantageous to do so. Derivative investments could lose more than the principal amount invested. The Fund may use derivatives for hedging purposes or as part of its investment strategy.

The Fund is generally exposed to the following risks:

- absence of an active market for the ETF Securities
- asset-backed and mortgage-backed securities risk
- changes in legislation risk
- conflicts of interest risk
- credit default swap risk
- credit ratings risk
- credit risk
- derivative risk
- exchange of tax information risk
- fixed income security risk
- high yield security risk
- income risk
- issuer risk
- international investing risk
- liquidity risk
- market risk
- maturity risk
- multi-class/series risk
- no ownership interest risk
- portfolio turnover risk
- rebalancing and adjustment risk

- regulatory risk
- reliance on the manager, portfolio and sub-advisor risk
- short sale risk
- substantial securityholder risk
- tax risk
- trading price of ETF Securities risk
- valuation risk

We have classified this Fund's risk level as low. The Fund's risk classification is based on the Fund's returns and the return of the Barclays Aggregate Bond Index. The Barclays Aggregate Bond Index tracks the performance of US fixed income universe. Please see "General Investment Risks" in Part A for more detailed descriptions of these risks and "Fund Risk Classification" for a description of the methodology we use to classify this Fund's risk level.

WHO SHOULD INVEST IN THIS FUND?

Investors should have a low tolerance for risk. This Fund is suitable for investors looking for absolute positive returns over full market cycles, investors interested in fixed income opportunities across multiple sectors and the opportunity to enhance performance in varying and uncertain market environments. The Fund is a suitable complement or alternative to a core bond holding.

DISTRIBUTION POLICY

The Fund intends to distribute sufficient income and capital gains annually to its securityholders such that the Fund will not be liable to pay Part I tax under the Tax Act. The Fund intends to distribute income and capital gains annually in December, at the sole discretion of the Manager. In addition, the Fund may distribute income, capital gains or returns of capital at any time. All distributions are reinvested in securities of the Fund at the applicable net asset value without any fee.

We may make monthly distributions of taxable Canadian dividends, capital gains and other income, generally payable at the end of each month. Monthly distributions are automatically reinvested in securities of the Fund at the applicable net asset value without any fee, unless you tell us in writing that you would prefer cash payment.

The Fund may at its discretion change its distribution policy from time to time.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

A Securities:

Time Period	Expenses Payable
One Year	$22.26
Three Years	$72.08
Five Years	$129.67
Ten Years	$314.18

For F Securities:

Time Period	Expenses Payable
One Year	$13.96
Three Years	$45.58
Five Years	$82.64
Ten Years	$204.13

For I Securities:

This information is not available because I Securities have not yet been distributed to the public.

For A USD Securities:

Time Period	**Expenses Payable**
One Year	$22.26
Three Years	$72.08
Five Years	$129.67
Ten Years	$314.18

For F USD Securities:

Time Period	**Expenses Payable**
One Year	$13.96
Three Years	$45.58
Five Years	$82.64
Ten Years	$204.13

For ETF Securities:

This information is not available because ETF Securities have not yet been distributed to the public.

See "Fees and Expenses" above for more information about the costs of investing in the Fund.

REDWOOD BEHAVIOURAL OPPORTUNITIES FUND (formerly First Avenue Dividend Growers Class)

FUND DETAILS

Type of Fund:	North American Equity
Inception:	A shares: December 21, 2017 F shares: December 3, 2014 ETF shares: December 21, 2017
Securities Offered:	A shares, F shares and ETF shares of Redwood Corp.
Registered Tax Plan Status:	Eligible as an investment for RRSPs, RRIFs, DPSPs, RESPs, LIFs, LIRAs, LRSPs, RDSPs and TFSAs

WHAT DOES THE FUND INVEST IN?

Investment Objective

The objective of the Fund is to generate long-term capital growth. The Fund invests predominantly in equity securities of North-American issuers. It may also invest in securities of foreign issuers. The Fund utilizes a basket of different strategies, each researched and designed to take advantage of either an investor behavioural bias/weakness or structural inefficiency in the market.

Securityholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

As noted, the Fund utilizes a basket of different strategies, each researched and designed to take advantage of either an investor behavioural bias/weakness or structural inefficiency in the market. Each specific strategy has been researched extensively and often perform independently of one another. The Fund diversifies across a number of different unique strategies to reduce overall volatility as some strategies work better in some market environments versus others. The allocation across strategies varies over time dependent on the available opportunities in each. Up to 60% of the Fund's portfolio may be invested in foreign securities.

Each investment strategy utilizes a quantitative model to help identify potential investment opportunities that may have been created by a behavioural bias or market inefficiency. Once identified, investment opportunities are subject to both fundamental and technical analysis by the team. Each investment is sized based on risk, has targeted profit taking levels and stop loss levels to remove as much emotion from the investment process as possible. Such process provides an added level of risk control for the Fund.

The investment strategies set out below are utilized by the Fund but are not an exhaustive list. Fund allocations may vary across strategies and time. The primary strategies used by the Fund are as follows:

Emotional Cascade: the emotional cascade strategy targets availability bias and hyper discounting bias. Availability bias causes investors to focus much more on recent or widely available information, thereby losing sight of a longer term, potentially more successful, investment outlook. Such bias becomes especially acute when the quantity of new information increases due to a significant news event. Such new information may cause asset prices to dramatically overreact, thereby opening an opportunity to be invested in a contrarian manner in the short-term.

Earnings Overreaction: the earnings overreaction strategy targets availability bias and recency bias. As noted above, availability bias may cause investors to overweight the impact of the most readily available news, such as recent earnings reports. While earnings are important, investors will often overreact to such a release, thereby causing an issuer's share price to move more than is justified. The Portfolio Advisor has found an asymmetric regression back to the mean dependent on company quality. Higher quality companies that suffer a significant price drop on bad earnings, typically recover better than lower quality companies. Lower quality companies that enjoy a price jump on good earnings, tend not to hold such gains for the long term.

Indexing Bias: an indexing bias strategy targets the biases of market inefficiency and mean reversion. While counterintuitive, companies added to a market capitalization based major index tend to underperform, while those removed from such indices tend to over perform. Such index bias can be understood as a form of mean reversion. Companies that are added to an index have already enjoyed a strong price advance as they neared the bottom end of the index's market cap threshold. Share price may increase as more investors anticipate inclusion in a particular index. Once included, passive investors (such as ETFs) may increase demand for company securities. Such aggressive buying may subsequently result in a regression back to a more accurate share price. The same process, in the opposite direction, often may occur for companies removed from an index.

Unloved to Less Unloved: the unloved to less unloved strategy targets confirmation bias and herd behavior. Herd mentality is a behavioural bias whereby an individual is more comfortable conforming to consensus actions. When applied to analyst ratings, investors feel more comfort buying, owning or adding to companies that have a higher percentage of "buy" ratings. Conversely, companies with very few "buy" ratings over an extended period of time are often neglected. The "unloved to less unloved" strategy attempts to capture companies that may increase in value once initial analyst upgrade ratings are achieved. Early upgrades can trigger further buy ratings, thereby creating a sizeable increase or recovery in share price.

Neglect: when an existing company spins off a portion of its operations to existing shareholders, the spun-out entity is often neglected or discarded by investors. Such behavior can occur because the shares of the spun-out entity received are typically of a small size (ie too small to have a material impact on a portfolio). As a result, an investor may face two choices: add to the holdings of the spun-out entity or sell it. As the spun out entity will likely not be a totally familiar holding, it may have limited history or analyst coverage, and therefore it may be easier to sell. As a result, spun-out companies can see strong selling pressure once the reorganization is complete, pushing the share price down. Such behavior often dissipates and the share price of spun-out entities can recover, leading to potential, beneficial, investment opportunities.

Crowded Trades: the crowded trade strategy targets confirmation bias and herd behavior. Such strategy is premised on the idea that if all analysts expect one outcome, the reverse may actually occur. One supportive example can be found in non-commercial or speculative futures positioning across various asset classes. When these reach extreme levels, either bullish or bearish, a reversal is often imminent. Such reversal may occur quickly as speculators cover their positions.

As many of the strategies employed by the Portfolio Advisor require market participants to make an emotional mistake or for market inefficiencies to become apparent, the appropriateness of a particular strategy will vary over time. For instance, the earnings overreaction aspect will be a more active strategy during earnings season. As a result, the Portfolio Advisor will also employ a flexible portfolio allocation that can be allocated to other strategies when needed and appropriate. The Portfolio Advisor may also use a small portion of capital to provide some protection from a tail event risk, specifically, a major market correction or bear market..

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or as a result of other adverse market, economic, political or other considerations.

In order to generate additional returns, the Fund may lend securities included in the Fund's portfolio to securities borrowers acceptable to the Fund pursuant to the terms of a securities lending agreement between the Fund and such borrower (each a "Securities Lending Agreement"). Under a Securities Lending Agreement: (i) the borrower will pay to the Fund a negotiated securities lending fee and will make compensation payments to the Fund equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Fund will receive collateral security.

The Fund may use specified derivatives, such as options, futures, forward contracts, swaps and other similar investments, in a manner which is consistent with the investment objective of the Fund and as permitted by applicable securities legislation, for hedging and non-hedging purposes to:

- gain exposure to equity instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the equity instrument itself or when it achieves greater liquidity and increased speed and flexibility in making portfolio changes);
- enhance income; and
- offset or reduce risks associated with an investment or group of investments, such as foreign currency exposure.

You will find more information about derivatives under "Derivatives Risk".

The Fund may engage in short selling should securities be identified that are trading at a significant premium to their intrinsic value and are anticipated to decline in value. The Fund may also engage in short selling as a means of implementing a "hedge" in an attempt to lessen Fund volatility in declining markets. In this instance, the Fund would sell short securities representing a market index or sub index. The Fund may also sell short a security as a means of capturing a pricing disparity between itself and a related security, which would be purchased or held "long". This process of capturing price differences between related securities is referred to as arbitrage. Examples of such an action would include companies involved in merger or acquisition activity or other corporate action. For a more detailed description of short selling, please refer to "Specific information about each of the mutual funds described in this document" beginning on page 45 of this document.

The Portfolio Advisor may change the Fund's investment strategies at its discretion without notice to or approval of securityholders.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The main investment risks of this Fund are:

- changes in legislation risk
- concentration risk
- conflicts of interest risk
- currency risk
- derivatives risk
- equity risk
- ETF Risk
- fixed income security risk
- international investment risk
- market risk
- multi-class/series risk
- no ownership interest risk
- regulatory risk
- reliance on the manager, portfolio and sub-advisor risk
- securities lending and repurchase and reverse repurchase transaction risk
- small company risk
- specialization risk
- substantial securityholder risk
- tax risk
- underlying fund risk

We have classified this Fund's risk level as low to medium. The Fund's risk classification is based on the Fund's returns and blended benchmark return made up of a 50/50 S&P/TSX Composite Index/S&P 500 Index (in Canadian dollars) blended index. The S&P/TSX Composite Index represents roughly 70% of the total market capitalization on the Toronto Stock Exchange, representing approximately 250 companies. The S&P 500 Index is an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. Please see "General Investment Risks" in Part A for more detailed descriptions of these risks and "Fund Risk Classification" for a description of the methodology we use to classify this Fund's risk level.

WHO SHOULD INVEST IN THIS FUND?

This Fund may be right for you if:

- you plan to hold your investment for the long-term;
- you want to gain U.S. and Canadian equities exposure;
- you are seeking the potential for capital gains;
- you can handle the volatility of returns generally associated with equity investments; and
- you can tolerate low to medium investment risk

DISTRIBUTION POLICY

The Fund may distribute taxable dividends and capital gains dividends annually, if any, in December, at the sole discretion of the Manager. In addition, the Fund may pay dividends or returns of capital at any time. All distributions are reinvested in securities of the Fund at the applicable net asset value without any fee.

The Fund may at its discretion change its distribution policy from time to time.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

This information is not available because Securities of the Fund have not yet been distributed to the public.

See "Fees and Expenses" above for more information about the costs of investing in the Fund.

REDWOOD GLOBAL TOTAL RETURN BOND PORTFOLIO

FUND DETAILS

Type of Fund:	Global Fixed Income
Inception:	A units: December 3, 2014
	F units: January 20, 2015
	A USD units: February 23, 2015
	F USD units: December 3, 2014
	PHP units: February 23, 2015
Securities Offered:	A units, F units, A USD units, F USD units and PHP units
Registered Tax Plan Status:	Eligible as an investment for RRSPs, RRIFs, DPSPs, RESPs, LIFs, LIRAs, LRSPs, RDSPs and TFSAs

WHAT DOES THE FUND INVEST IN?

Investment Objective

The fundamental investment objective of the Fund is to provide interest income and capital appreciation and to maximize total return.

To achieve its objective, the Fund invests in global fixed income securities through individual securities and through investments in other funds, which may include other funds managed by the Manager.

Securityholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

The Fund invests in global fixed income instruments, primarily through investments in other mutual funds managed by Redwood Asset Management Inc. or by investing in the strategies of other managers through third party mutual funds or ETFs. The Fund will make direct investments in fixed income securities from time to time. The Fund seeks to invest in underlying funds that pursue flexible investment strategies that permit investments in a wide range of fixed income instruments from around the world. The Fund may pursue its objectives by investing in underlying mutual funds that have a primary objective of income and a secondary objective of capital appreciation, or mutual funds whose primary objective is capital appreciation and whose secondary objective is income.

The fixed income instruments in which the Fund may invest can be of varying maturities. The Fund will be a diversified global portfolio that may invest in investment grade debt, high yield debt, bonds, mortgage-backed securities, and asset-backed securities, and instruments issued by various foreign public or private-sector entities. The Fund may also invest in emerging markets. Investments may be denominated in Canadian dollars, foreign currencies and in U.S. dollar denominated securities of foreign issuers. The Fund may hold a portion of its assets in cash or money market instruments during periods of market downturn or for other reasons.

The Fund has the ability to go negative duration. Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. A portfolio with a negative duration generally incurs a loss when interest rates and yields fall.

The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into repurchase agreements or reverse repurchase agreements. The Fund will only enter into repurchase and reverse repurchase transactions if there are suitable counterparties available and the transactions are considered appropriate. For a description of these transactions and the strategies to be used by the Fund to minimize the risks associated with these transactions, please see the discussion under "Securities Lending, Repurchase and Reverse Repurchase Transaction Risk" commencing on page 16 of this Simplified Prospectus as well as the discussion in the AIF of the Fund.

The Fund may invest in securities of underlying mutual funds, including mutual funds managed by the Manager, provided that: (i) the other mutual fund is subject to the provisions of National Instrument 81-102; (ii) the securities of the underlying mutual fund are qualified in the same jurisdiction as the Fund; (iii) there is no duplication of management or incentive fees; (iv) if the underlying mutual fund is managed by the Manager, no sales or redemption fees are paid by the Fund in respect of investment in the underlying mutual fund; and (v) no sales or redemption fees are payable by the Fund in respect of investment in the underlying mutual fund if such fees duplicate a fee payable by an investor in the Fund.

In order to generate additional returns, the Fund may lend securities included in the Fund's portfolio to securities borrowers acceptable to the Fund pursuant to the terms of a securities lending agreement between the Fund and such borrower (each a "Securities Lending Agreement"). Under a Securities Lending Agreement: (i) the borrower will pay to the Fund a negotiated securities lending fee and will make compensation payments to the Fund equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Fund will receive collateral security.

The Fund may use specified derivatives, such as options, futures, forward contracts, swaps and other similar investments, in a manner which is consistent with the investment objective of the Fund and as permitted by applicable securities legislation, for hedging and non-hedging purposes to:

- gain exposure to equity instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the equity instrument itself or when it achieves greater liquidity and increased speed and flexibility in making portfolio changes);
- enhance income; and
- offset or reduce risks associated with an investment or group of investments, such as foreign currency exposure.

The Fund will make direct use of derivatives for active management and duration management. Underlying funds that the Fund will invest in may use derivatives for hedging and non-hedging purposes, as permitted by applicable securities legislation.

You will find more information about derivatives under "Derivatives Risk".

The Fund may engage in short selling should securities be identified that are trading at a significant premium to their intrinsic value and are anticipated to decline in value. The Fund may also engage in short selling as a means of implementing a "hedge" in an attempt to lessen Fund volatility in declining markets. In this instance, the Fund would sell short securities representing a market index or sub index. The Fund may also sell short a security as a means of capturing a pricing disparity between itself and a related security, which would be purchased or held "long". This process of capturing price differences between related securities is referred to as arbitrage. Examples of such an action would include companies involved in merger or acquisition activity or other corporate action. For a more detailed description of short selling, please refer to "Specific information about each of the mutual funds described in this document" beginning on page 45 of this document.

The Manager may change the Fund's investment strategies at its discretion without notice to or approval of its securityholders.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund employs an approach which creates considerable exposure to certain types of securities that may present significant volatility in the Fund's performance, particularly over short periods of time. The return of principal in a fixed income fund is not guaranteed. Fixed income funds have the same interest rate, inflation, issuer and credit risks that are associated with underlying fixed income securities owned by the Fund. Foreign investments present additional risks due to currency fluctuations, economic and political factors, government regulations, differences in accounting standards and other factors. Investments in emerging markets involve even greater risks. Mortgage and Asset-Backed Securities are subject to prepayment risk and the risk of default on the underlying mortgages or other assets. High yield securities involve greater risk than investment grade securities and tend to be more sensitive to economic conditions and credit risk.

Derivatives such as options, futures contracts, currency forwards or swap agreements may involve greater risks than if the Fund invested in the referenced obligation directly. Derivatives may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk and risk that a fund could not close out a position when it would be most advantageous to do so. Derivative investments could lose more than the principal amount invested. The Fund may use derivatives for hedging purposes or as part of its investment strategy.

The Fund is generally exposed to the following risks:

- asset-backed and mortgage-backed securities risk
- calculation and termination of the indices risk
- cease trading of constituent securities risk
- changes in legislation risk
- conflicts of interest risk
- credit risk
- credit ratings risk
- derivative risk
- fixed income security risk
- high yield security risk
- income risk
- issuer risk
- international investment risk
- liquidity risk
- market risk
- multi-class/series risk
- no ownership interest risk
- regulatory risk
- reliance on the manager, portfolio and sub-advisor risk
- substantial securityholder risk
- tax risk
- valuation risk

We have classified this Fund's risk level as low. The Fund's risk classification is based on the Fund's returns and the return of the Barclays Aggregate Bond Index. The Barclays Aggregate Bond Index tracks the performance of US fixed income universe. Please see "General Investment Risks" in Part A for more detailed descriptions of these risks and "Fund Risk Classification" for a description of the methodology we use to classify this Fund's risk level.

WHO SHOULD INVEST IN THIS FUND?

Investors should have a low tolerance for risk. This Fund is suitable for investors looking for absolute positive returns over full market cycles, investors interested in fixed income opportunities across multiple sectors and the opportunity to enhance performance in varying and uncertain market environments. The Fund is a suitable complement or alternative to a core bond holding.

DISTRIBUTION POLICY

The Fund intends to distribute sufficient income and capital gains annually to its securityholders such that the Fund will not be liable to pay Part I tax under the Tax Act. The Fund intends to distribute income and capital gains annually in December, at the sole discretion of the Manager. In addition, the Fund may distribute income, capital gains or returns of capital at any time. All distributions are reinvested in securities of the Fund at the applicable net asset value without any fee.

We may make monthly distributions of taxable Canadian dividends, capital gains and other income, generally payable at the end of each month. Monthly distributions are automatically reinvested in securities of the Fund at the applicable net asset value without any fee, unless you tell us in writing that you would prefer cash payment.

The Fund may at its discretion change its distribution policy from time to time.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

For A Securities:

Time Period	Expenses Payable
One Year	$27.51
Three Years	$88.63
Five Years	$158.66
Ten Years	$379.81

For F Securities:

Time Period	Expenses Payable
One Year	$18.38
Three Years	$59.72
Five Years	$107.83
Ten Years	$263.62

For A USD Securities:

Time Period	Expenses Payable
One Year	$26.78
Three Years	$86.32
Five Years	$154.64
Ten Years	$370.81

For F USD Securities:

This information is not available because F USD Securities have not yet been distributed to the public.

For PHP Securities:

Time Period	Expenses Payable
One Year	$21.63
Three Years	$70.08
Five Years	$126.15
Ten Years	$306.10

See “Fees and Expenses” above for more information about the costs of investing in the Fund.

REDWOOD U.S. PREFERRED SHARE FUND

FUND DETAILS

Type of Fund:	U.S. Preferred Share
Inception:	A units: March 15, 2017
	A non-currency hedged units: March 15, 2017
	F units: March 15, 2017
	F non-currency hedged units: March 15, 2017
	ETF units: March 15, 2017
	ETF non-currency hedged units: March 15, 2017
Securities Offered:	A units, A non-currency hedged units, F units, F non-currency hedged units, ETF units and ETF non-currency hedged units
Registered Tax Plan Status:	Eligible as an investment for RRSPs, RRIFs, DPSPs, RESPs, LIFs, LIRAs, LRSPs, RDSPs and TFSAs

WHAT DOES THE FUND INVEST IN?

Investment Objective

The fundamental investment objective of the Fund is to provide unitholders with (i) with a regular stream of monthly distributions and (ii) opportunity for capital appreciation by investing primarily in U.S. dollar denominated investment grade preferred securities.

Securityholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

To achieve its investment objectives, the Fund will invest primarily in a portfolio of U.S. investment grade preferred securities of issuers that the Sub-Advisor or the Manager believes have strong fundamentals and are priced at attractive relative valuations and will be actively managed by the Sub-Advisor. Preferred securities are primarily issued by companies in the financial sector and, to a lesser degree, by companies in other sectors, such as industrials and utilities. The Fund's portfolio will be actively managed as markets change and different opportunities arise to capitalize on the relative value opportunities of different instrument types, capital structure positions and related features, and to separately capitalize on the relative value opportunities of securities with different coupon structures.

The Fund will invest at least 75% of its assets in preferred securities (including preferred securities, hybrid securities and contingent capital securities), rated as Investment Grade securities. Investment Grade in respect of a security means a security, and in respect of an issuer means an issuer, which, at the time of purchase, has at least one of the following ratings: (i) at least BBB- by Standard & Poor's Rating Services; (ii) at least Baa3 by Moody's Investor Services, Inc.; (iii) at least BBB- by Fitch Ratings; (iv) the equivalent rating by another "designated rating organization" as defined in NI 81-102 or (v) or which are unrated but judged by the Sub-Advisor or its affiliates to be of comparable quality.

The Fund will invest primarily in preferred securities issued by companies in the financial services sector and, to a lesser degree, in securities of companies in other sectors, such as industrials and utilities. The Fund may invest up to 25% of its assets in non-investment grade preferred securities and other fixed income securities.

The Fund may also invest up to 30% of its assets in: (i) cash or cash equivalents as permitted by NI 81-102.

The Fund may use specified derivatives, such as options, futures, forward contracts, swaps and other similar investments, in a manner which is consistent with the investment objective of the Fund and as permitted by applicable securities legislation, for hedging and non-hedging purposes to:

- gain exposure to equity instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the equity instrument itself or when it achieves greater liquidity and increased speed and flexibility in making portfolio changes);
- enhance income; and
- offset or reduce risks associated with an investment or group of investments, such as foreign currency exposure.

The Fund may enter into securities lending transactions to generate additional income. The Fund may not commit more than 50% of its net asset value to securities lending transactions at any time and the borrower must provide collateral worth at least 102% of the value of the securities loaned.

You will find more information about derivatives under “Derivatives Risk”.

The Fund will be exposed to securities traded in foreign currencies and a substantial portion of the foreign currency exposure within the portfolio will be hedged back to the Canadian dollar by using derivatives including currency forward contracts.

The Manager may change the Fund’s investment strategies at its discretion without notice to or approval of its securityholders.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund is generally exposed to the following risks:

- absence of an active market for the ETF Securities
- capital depreciation risk;
- changes in legislation risk
- collateral risk
- concentration risk
- conflicts of interest risk
- credit risk
- debt securities risk
- derivative risk
- exchange of tax information risk
- financial sector issuer risk
- illiquid securities risk
- interest rate risk
- liquidity risk
- multi-class/series risk
- no ownership interest risk
- potential liability of unitholders risk
- preferred securities risk
- rebalancing and adjustment risk for ETF Securities
- regulatory risk
- reliance on the manager, portfolio and sub-advisor risk
- securities lending and repurchase and reverse repurchase transaction risk
- tax risk

- trading price of ETF Securities risk

We have classified this Fund's risk level as medium. The Fund's risk classification is based on the Fund's returns and a blended benchmark return made up of 60% of the BofA Merrill Lynch US Corporate All Capital Securities Index and 40% of the BofA Merrill Lynch Contingent Capital Index. The BofA Merrill Lynch US Corporate All Capital Securities Index tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market and the BofA Merrill Lynch Contingent Capital Index tracks the performance of investment grade and below investment grade contingent capital debt publicly issued in the major domestic and eurobond markets. Please see "General Investment Risks" in Part A for more detailed descriptions of these risks and "Fund Risk Classification" for a description of the methodology we use to classify this Fund's risk level.

Redwood will, however, seek the prior approval of holders of A units, A non-currency hedged units, F units, F non-currency hedged units, ETF units and ETF non-currency hedged units, as applicable, before currency hedging strategies in respect of these Securities are materially changed.

WHO SHOULD INVEST IN THIS FUND?

Investors should have a medium tolerance for risk. This Fund is suitable for investors who:

- want distributions payable monthly
- want capital growth over the long term
- are investing for the medium and/or long term
- can tolerate medium investment risk

DISTRIBUTION POLICY

The Fund expects to make distributions monthly, if any. Distributions on Mutual Fund Securities are reinvested in additional Mutual Fund Securities of the class unless you tell your dealer to inform us that you want them in cash. The Fund also intends to distribute sufficient income and capital gains annually to its securityholders such that the Fund will not be liable to pay Part I tax under the Tax Act. The Fund intends to distribute income and capital gains annually in December, at the sole discretion of the Manager. In addition, the Fund may distribute income, capital gains or returns of capital at any time. All distributions are reinvested in securities of the Fund at the applicable net asset value without any fee.

The Fund may at its discretion change its distribution policy from time to time.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

As the Fund has not yet completed a full financial year, this information is not yet available.

Additional information about the Funds is available in the Funds' Annual Information Form, Fund Facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this document just as if they were printed as part of this document.

You can get a copy of these documents, including a statement of portfolio transactions, at your request, and at no cost, by calling us toll-free at 1-877-313-7011, collect at (416) 368-8898, from your dealer, via e-mail at invest@redwoodasset.com or by writing us at the address below.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on Redwood's Internet site at www.redwoodasset.com or are available at the Internet site of SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

Redwood Emerging Markets Dividend Fund
Redwood Pension Class [1]
Redwood Unconstrained Bond Fund
Redwood Behavioural Opportunities Fund [1]
Redwood Global Total Return Bond Portfolio
Redwood U.S. Preferred Share Fund

[1] A class of shares of Redwood Fund Corp.

Redwood Asset Management Inc.

130 Adelaide Street West, Suite 1700
P.O. Box 83
Toronto, Ontario
M5H 3P5

Tel: 416-304-6800
Toll-free: 1-877-313-7011
Email: invest@redwoodasset.com
Website: www.redwoodasset.com