No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

REDWOOD ENERGY CREDIT FUND

Simplified Prospectus

Class A units, Class F units, ETF Currency Hedged Units and U.S. dollar denominated ETF Non-Currency Hedged Units.

February 1, 2018

TABLE OF CONTENTS

PART A

INTRODUCTION

In this document, "we", "us" and "our" refer to Redwood Asset Management Inc. ("**Redwood**" or the "**Manager**"). We refer to Redwood Energy Credit Fund as the "Fund".

The Fund is a mutual fund established as a trust under the laws of the Province of Ontario. The authorized capital of the Fund includes one or more classes of exchange-traded units (each such class, "**ETF Securities**") and one or more classes of mutual fund units (as defined herein). An unlimited number of ETF Securities and mutual fund units are authorized for issuance.

This simplified prospectus contains selected important information about the Fund to help you make an informed investment decision and to help you understand your rights.

This simplified prospectus is divided into two parts. Pages 1 to 43 of this simplified prospectus explain general information that applies to the Fund as well as general information regarding mutual funds and their risks. Pages 44 to 57 contain specific information about the Fund.

You will find more information about the Fund in the following documents:

(a) the Fund's annual information form;

(b) the Fund's most recently filed fund/ETF facts;

(c) the Fund's most recently filed annual financial statements;

(d) any interim financial statements filed after those annual financial statements;

(e) the Fund's most recently filed annual management report of fund performance;

(f) any interim management report of fund performance filed after that annual management report of fund performance; and

(g) the Fund's most recently filed ETF summary document.

These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this simplified prospectus just as if they were printed as part of this simplified prospectus. You can get a copy of these documents, at your request, and at no cost, by calling us toll-free at 1-877-789-1517 , by emailing us at invest@redwoodasset.com or by contacting your dealer.

You can also get copies of this simplified prospectus, the fund facts, the ETF summary documents, the annual information form, the management reports of fund performance and the financial statements from Redwood's website at www.redwoodasset.com.

These documents and other information about the Fund are also available at www.sedar.com.

GLOSSARY

In this simplified prospectus:

"**adjusted cost base**" means, in general terms, the total price you paid for all the units of a class of the Fund in your account, including reinvested distributions. The adjusted cost base per units of a class is the weighted average price paid per unit of that class.

"**annual information form**" means a document filed by the Fund with Canadian securities regulators which provides supplementary information about the Fund.

"**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.

"**bond**" means a long-term debt security issued or guaranteed by a government or business entity wherein the issuer promises to pay the holder a specified amount of interest and return the principal amount when the bond matures. Bonds can be transferred from one owner to another.

"**business day**" means any day on which NEO (or, as it applies to ETF Securities of the Fund, the applicable Designated Exchange) is open for trading.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**CDS Participant**" means a participant in CDS that holds ETF Securities of the Fund on behalf of beneficial owners of ETF Securities.

"**Class A Units**" means the class A mutual fund units of the Fund.

"**Class F Units**" means the class F mutual fund units of the Fund.

"**constituent issuers**" means, for the Fund, those issuers whose securities are included in the portfolio of the Fund that offers ETF Securities from time to time.

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

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

"**dealer agreement**" means an agreement between Redwood, on behalf of the Fund and a dealer, as amended from time to time.

"**debt securities**" means obligations to repay borrowed money within a certain time, with or without interest (for example bonds, debentures, commercial paper, asset-backed commercial paper, notes and treasury bills (*T-bills*)).

"**derivatives**" means a financial instrument that "derives" its value from the performance of an underlying asset, index or other investment.

"**designated broker**" means a registered dealer that has entered into a designated broker agreement with Redwood 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 the Fund and a designated broker, as amended from time to time.

"**Designated Exchange**" means the designated exchange on which the ETF Securities are listed.

"**equity**" means, in relation to buying shares of a corporation, the purchase of "equity," or ownership rights, in such corporation. Shares of a corporation are often referred to as "equities".

"**ETF**" means an exchange-traded fund.

"**ETF Securities**" means, collectively, the ETF Currency Hedged Units and U.S. dollar denominated ETF Non-Currency Hedged Units of the Fund.

"**ETF summary document**" means a summary document in respect of an exchange traded fund, which summarizes certain features of the exchange traded fund and which is publicly available at www.sedar.com and provided or made available to registered dealers for delivery to purchasers of securities of an exchange traded fund.

"**forward contract**" means a commitment made to buy or sell a currency, commodity or security on a specific day in the future at a specified price. The terms of the contract are agreed upon when the commitment is made. Forward contracts are traded through an over-the-counter telephone or computer network.

"**Fund**" means Redwood Energy Credit Fund.

"**futures contract**" means a contract, similar to that of a forward contract (described above), except that the contract has standardized terms and conditions and is traded only on a futures exchange, not over-the-counter.

"**hedge**" or "**hedging**" means a strategy used to offset or reduce the risk associated with an investment or a group of investments.

"**leverage**" means using borrowed funds to help pay for an investment. Leveraging magnifies the amount you make or lose, because the gain or loss is measured against the portion of the investment you have not borrowed, not against the total investment.

"**liquidity**" means a liquid investment that can be bought and sold on a public market. Liquidity also refers to how easy it is to convert an investment to cash at a reasonable price.

"**management expense ratio**" means the total fees and expenses the Fund paid during a year divided by its average assets for that year.

"**management fee rebate**" means an amount equal to the difference between the management fee otherwise chargeable and a reduced fee determined by the Redwood, from time to time payable to certain securityholders of the Fund who have signed an agreement with Redwood. Management fee rebates are reinvested in units, unless otherwise requested.

"**mutual fund units**" means, collectively, the Class A Units and Class F Units of the Fund.

"**NAV of the class**" and "**NAV per unit**" means, in relation to the Fund, the net asset value of the Fund attributable to the class of units and the net asset value per unit of that class, calculated by the valuation agent.

"NEO'' means Aequitas NEO Exchange Inc.

"**NI 81-102**" means National Instrument 81-102 – *Investment Funds*, as it may be amended from time to time.

"**NI 81-101**" means National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*, as it may be amended from time to time.

"**note**" means a debt security committing the issuer to pay a specific sum of money, either on demand or on a fixed date in the future, with or without interest.

"**option**" means the owner's right, but not its obligation, to buy or sell a security within a certain time period, at a specified price. A call option is the right to buy; a put option is the right to sell. The buyer of the option pays the seller a premium. Options can be traded on an exchange or over-the-counter.

"**plan agent**" means TSX Trust Company, plan agent for the dividend reinvestment plan.

"**portfolio turnover rate**" means the portfolio turnover rate which is calculated based on the lesser of the value of securities purchased or sold divided by the average market value of portfolio securities for the period, excluding short-term securities.

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

"Registered Plans" means a trust governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), registered education savings plan ("RESP"), registered disability savings plan ("RDSP"), tax-free savings account ("TFSA") or deferred profit sharing plan ("DPSP"), all as defined in the Tax Act, and individually referred to as a "**Registered Plan**."

"**return of capital**" means the return of capital which occurs when the Fund pays an amount to the unitholders that is part of the capital of the Fund rather than being a distribution paid out of amounts earned by the Fund.

"**Securities Lending Agreement**" means an agreement between the Fund and a borrower, to lend portfolio securities of the Fund to the borrower, in order for the Fund to generate additional returns;

"**Tax Act**" means the *Income Tax Act* (Canada).

"**trading day**" means a day on which: (i) a regular session of the Designated Exchange 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.

"**treasury bills (*T-bills*)**" means short-term debt securities issued or guaranteed by federal, provincial or other governments. T-bills are issued at a discount and do not pay any interest. The return on a T-bill is the difference between the price you pay and its "face" or par value.

"**units**" means an ETF Unit or mutual fund unit, as applicable.

"**U.S.**" means the United States of America.

"**valuation agent**" means the company that may be appointed from time to time by Redwood to calculate the NAV and NAV per unit.

"**valuation date**" means each trading day and any other day designated by Redwood on which the NAV of each class of units of the Fund and the NAV per unit of each such class will be calculated.

"**valuation time**" means 4:00 p.m. (Toronto time) or such other time as Redwood may deem appropriate on each valuation date.

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 a pool of investments made on behalf of people with a similar investment objective. When you invest in a mutual fund, your money is working together with that of many other investors. A professional investment manager invests this money on behalf of the whole group.

Investors share a mutual fund's income, expenses, gains and losses in proportion to their interest in the mutual fund. Mutual funds can give individuals the advantages of a simpler, more accessible, less expensive and less time-consuming method of investing in a portfolio of securities.

Mutual funds own different types of investments, depending on their investment objectives. These investments may include equities like shares, fixed-income securities like bonds and cash or cash equivalents like treasury bills, or units of other mutual funds, called "underlying funds". The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, financial markets and company news. As a result, the value of a mutual fund's shares may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

What do you own?

When you invest in a mutual fund trust, you are buying a portion of that fund called a unit. Mutual funds keep track of all the individual investments by recording how many units each investor owns. The more money you put into a mutual fund, the more units you get. The price of a unit changes every day, depending on how the investments are performing. When the investments rise in value, the price of a unit goes up. When the investments drop in value, the price of the unit goes down.

Some mutual funds offer units in more than one class. A multi-class structure recognizes that different investors may seek the same investment objective, yet require different investment advice and/or service. Each class represents an investment in the same investment portfolio of each fund. However, each class may charge a different management fee and incur its own specific expenses. As a result, a separate NAV per unit is calculated for each class on a daily basis. See "Purchases, switches and redemptions – How the securities of a Fund are valued" on page 21.

What are the general risks of investing in a mutual fund?

As an investor, there is always a risk you could lose money. Mutual funds are no exception, but the degree of risk varies considerably from one mutual fund to the next. As a general rule, investments with the greatest risk have the greatest potential for gains, but also have the greatest potential for losses. The key is to recognize the risk involved with your investment, understand it, and decide whether it is a risk you are comfortable accepting.

Every securityholder has a different tolerance for risk. To be comfortable with your investments you should think about your risk comfort level before you invest.

This section and the section "What are the specific risks of investing in a mutual fund?" on page 9, describe the risks associated with investing in mutual funds. As you read the descriptions, keep in mind your risk comfort level and your various investments objectives to help determine which funds are right for you.

The general risks with investing in a mutual fund include:

Price Fluctuation

The price of a mutual fund security will generally vary with the value of the securities it holds. 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. 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.

No guarantees

Your investment in the Fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates (GICs), mutual fund securities are not covered by Canada Deposit Insurance Corporation or any other government deposit insurer.

Suspension of redemptions

Under exceptional circumstances, the Fund may suspend redemptions. See "Purchases, switches and redemptions – When you may not be allowed to redeem your units" on page 21.

How can an investor in a mutual fund manage risk?

Although the value of your investments may drop in the short term, a longer investment horizon will help to lessen the effects of short-term market volatility. A shorter investment horizon may result in you having to sell your investments in adverse conditions. Ideally, investors in equity funds should have a minimum five- to nine-year investment horizon, which generally provides enough time for the investments to overcome any short-term volatility and grow.

At any given time, however, one mutual fund may outperform another. The key is to have a diversified portfolio of mutual funds to try to ensure that a decline in one mutual fund is offset by growth in another, helping to reduce risk and smooth out returns. Your advisor can help you build a portfolio that's right for you.

What are the specific risks of investing in a mutual fund?

Each mutual fund also has specific risks. The description of the Fund, starting on page 52, sets out the risks that apply to the Fund or to the underlying fund in which it invests. Set forth below, in alphabetical order, is a description of each of those risks.

Absence of an active market for the ETF Securities

Although the ETF Securities 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.

Capital depreciation risk

Securities of the Fund aim to make regular cash distributions. Such regular distributions may include returns of capital. Also, distributions of cash will reduce the NAV of the 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 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.

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 the Fund.

Credit Risk

Some borrowers are less likely to pay off a loan than others. These borrowers will have a low credit rating assigned by specialized credit rating agencies. Mutual funds may invest in securities issued by these borrowers to earn the higher returns that these securities offer. However, these mutual funds face a higher possibility of loss if the borrower defaults on payment.

Credit Default Swaps Risks

Credit default swaps and related instruments, such as credit default swap index products, may involve greater risks than if a mutual 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 a mutual fund. The credit default swap market may be subject to additional regulations in the future.

Credit Ratings Risks

Ratings by nationally recognized ratings agencies generally represent the agencies' opinion of the credit quality of an issuer. There is no guarantee, however, that these credit ratings represent an accurate assessment of the risk of owning a particular security. The market value of the security can be affected by a downgrade in the issuer's credit rating, a change in in the creditworthiness of the issuer or the perceived creditworthiness of the security.

Currency Risk

If the 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, the Fund's investments in foreign currency denominated securities may reduce the returns of the Fund.

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 section, 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 the Fund is affected by changes in the prices of the debt securities it holds.

Derivatives Risk

What is a derivative? A derivative is a security whose value is based on or derived from the price of some other asset such as a stock, currency, commodity, index or basket of securities. A derivative usually takes the form of a contract between two parties. Some examples are as follows:

An *option* is the right – but not the obligation – to buy or sell currency, commodities or securities at an agreed price within a certain time period.

A *forward contract* is an agreement to buy or sell currencies, commodities or securities for an agreed price at a future date or to pay an amount at a future date based on the value of a currency, commodity or security at such future time.

A *swap* is an agreement between two parties to exchange one stream of cash flow against another stream on specified future dates. Swaps can be used to hedge certain risks such as interest rate risk, or to speculate on changes in the underlying interest.

Like a forward contract, a *futures contract* is an agreement between two parties to buy or sell an asset at an agreed-upon price at a future date or to pay the difference in value between the contract date and the settlement date. Futures contracts are normally traded on a registered futures exchange. The exchange usually specifies certain standardized features of the contract including the basket of securities.

The Fund may invest in clearing corporation options and listed warrants to the extent and for the purposes permitted by Canadian securities authorities. The Fund may also write covered call options. An investment in a derivative may be a means of obtaining a leveraged position in the underlying security. The value of a derivative may change more than proportionately to changes in value of the underlying security. Writing covered call options is a means of obtaining income related to the premium associated with the option at the time of writing, although any capital gains would be limited by the exercise price of the option. The Fund may use derivatives for both hedging and non-hedging purposes.

The primary risk associated with an investment in a derivative instrument is that its value can be reduced to nil or a nominal amount if the price of the underlying security should decrease significantly below the exercise price (in the case of a call option or warrant) or increase significantly above the exercise price (in the case of a put option). Also, because permitted derivatives have a limited term, their value is influenced by the length of time to expiry. Some other risks of investing in derivatives are described below. No assurances can be provided that a portfolio's hedging strategies will be effective. There may be an imperfect historical correlation between changes in the market value of the investment or attributes of the investment (including currency exposure) being hedged and the instrument with which the investment or attribute is hedged.

Any historical correlation may not continue for the period during which the hedge is in place. Hedging against changes in stock markets or interest rates does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. Similarly, no assurances can be provided that a liquid exchange or over-the-counter market will exist to permit the Funds to realize their profits or limit their losses by closing out positions.

Should fund utilize derivatives it is subject to the credit risk that their counterparties may be unable to meet their obligations. There is also a risk of loss of margin deposits in the event of bankruptcy of a dealer with whom the Fund has an open position in an option or futures or forward contract.

Derivative investments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets. The Fund's ability to close out their positions may also be affected by stock exchange imposed daily trading limits on options and futures contracts. If the Fund is unable to close out a position, it will be unable to realize profits or limit losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. If the Fund is unable to close out options, futures or forward positions, that could have an adverse impact on the Fund's ability to use derivatives to hedge its portfolio effectively or implement its investment strategy.

Stock index options and futures contracts present the additional risk that index prices may be distorted if trading of certain stocks included in the index is interrupted. Trading in these derivative instruments also may be interrupted if trading is halted in a substantial number of stocks included in the index. If this occurred, the Fund would be unable to close out their options and futures positions, and if restrictions on exercise of the options or performance of the futures contracts were imposed, the Fund might experience substantial losses.

Equity Securities Risk

Common and preferred stocks represent equity ownership in a company. Stock markets are volatile. The price of equity securities will fluctuate and can decline and reduce the value of a portfolio investing in equities. The value of equity securities purchased by the Fund could decline if the financial condition of the companies the Fund invests in declines or if overall market and economic conditions deteriorate. The value of equity may also decline due to factors that affect a particular industry or industries, such as labor shortages or an increase in production costs and competitive conditions within an industry. In addition, the value may decline due to general market conditions that are not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or generally adverse investor sentiment.

For small companies, start-ups and companies in emerging sectors, generally, the greater the potential reward, the greater the risk. Some of the products and services offered by technology companies, for example, can become obsolete as science and technology advance.

ETF Risk

Investing in an ETF exposes the Fund to all of the risks of that ETF's investments and subjects it to a pro rata portion of the ETF's fees and expenses. As a result, the cost of investing in securities of an ETF may exceed the costs of investing directly in its underlying investments. Securities of ETFs trade on an exchange at a market price, which may vary from the ETF's NAV. The Fund may purchase ETFs at prices that exceed the NAV of their underlying investments and may sell ETF investments at prices below such NAV. Because the market price of securities of an ETF depends on the demand in the market for them, the market price of an ETF may be more volatile than the value of the underlying portfolio of securities that the ETF may be designed to track, and the Fund may not be able to liquidate ETF holdings at the time and price desired, which may impact Fund performance.

In addition, index based ETFs are dependent upon the indices upon which they are based. 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 securities and baskets of securities may be delayed and trading in securities of an ETF in the 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. Such occurrences may adversely impact the Fund that invests in such an ETF.

Fixed Income Securities Risk

Fixed income securities are subject to risks resulting from changes in interest rates and from credit risk. Prices of fixed income securities generally increase when interest rates decline, and decrease when interest rates rise. Prices of longer-term fixed income securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Credit risk is the risk that the company or government that issued a bond or other fixed-income security is unable to pay interest or repay principal when due or at all.

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.

Income Risk

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 involves creating a diversified mix of investments with emphasis on equity securities, which have historically outperformed all other types of investments over the long-term.

Interest Rate Risk

Interest rates affect the value of fixed-income securities, including bonds, mortgages, treasury bills and commercial paper. The value of these securities will generally rise if interest rates fall and will fall if interest rates rise. Therefore, the value of the Fund which invests in fixed-income securities will change with fluctuating interest rates. Changes in interest rates may also affect the value of equity securities as investors shift between investment vehicles.

International Investing Risk

International investing poses additional risks. 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 the 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 Concentration Risk

Some mutual funds concentrate their investments in a particular issuer. This allows them to focus on that issuer's potential, but it also means that they tend to be more volatile than more diversified mutual funds. Their liquidity, and therefore their ability to satisfy redemption requests, may also be adversely affected. And because these mutual funds invest in fewer issuers, they're affected more by the performance of individual issuers. These mutual funds may be riskier than other mutual funds that hold a greater number of issuers in their funds.

Large Transaction Risk

Any large transaction made by an institutional or individual investor could significantly impact a Fund's cash flow. If the investor buys a large amount of Securities of the Fund, the Fund could temporarily have a high cash balance. Conversely, if the investor redeems a large amount of Securities of the Fund, the Fund may be required to fund the redemption by selling securities at an inopportune time. This unexpected sale may have a negative impact on the performance of your investment.

Liquidity Risk

Investors often describe the speed and ease with which an asset can be sold and changed into cash as its liquidity. Most of the securities owned by a mutual fund can usually be sold promptly at a fair price and so can be described as relatively liquid. But a mutual fund may also invest in securities that are illiquid, which means they can't be sold quickly or easily.

Some securities are illiquid because of legal restrictions, the nature of the investment itself, settlement terms or for other reasons. Sometimes there may simply be a shortage of buyers. In addition, in highly volatile markets, such as in periods of sudden interest rate changes or severe market disruptions, securities that were previously liquid may suddenly and unexpectedly become illiquid. A mutual fund that has trouble selling a security can lose money or incur extra costs.

Some high yield debt securities, which may include but are not limited to security types commonly known as high yield bonds, floating rate debt instruments, floating rate loans, senior secured debt obligations, convertible securities, high yield commercial mortgage-backed securities as well as some fixed income securities issued by corporations and governments in emerging market economies, may be more illiquid in times of market stress or sharp declines. In addition, the liquidity of individual securities may vary widely over time. Illiquidity in these instruments may take the form of wider bid/ask spreads (i.e. significant differences in the prices at which sellers are willing to sell a particular security and buyers are willing to buy that same security).

Liquidity is a measure of how quickly a security can be sold at a fair price and converted to cash. Fund values will be affected by those securities that are difficult to sell because they may be small companies with limited outstanding shares or they may be unknown to investors and are not traded regularly. Difficulty in selling securities may result in a loss or a costly delay.

Multi-Class Risk

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

Portfolio Manager Risk

The Fund is dependent on its portfolio management team to select individual securities and, therefore, may be subject to the risk that the portfolio management team selects poorly which could cause the Fund to under-perform relative to other mutual funds with similar investment objectives.

Preferred Share Risk

Preferred shares generally tend to be less volatile and risky than equity investments but more volatile and risky than fixed income investments. They share similar risks to fixed income investments that include interest rate risk, credit risk and liquidity risk. In addition, preferred share risks can differ depending on their structure, term, and any dividend reset mechanism.

Such additional risks include:

Call Risk

Preferred shares can have redemption features that permit the issuer to redeem all or part of the issue. Redemption occurs when it is in the issuer's interest, which may not be in an investor's best interest.

Extension Risk

Preferred shares can have an initial redemption date, however an issuer may choose not to redeem on the expected date and keep the issue outstanding.

Private Company Risk

There are risks associated with investing in private company securities. For example, there is typically less available information concerning private companies than for public companies. The valuation of private company securities is also more subjective and private company securities are very illiquid as there are no established markets for such securities. As a result, in order to sell this type of holding, a Fund that holds securities of private companies may need to discount the securities from recent prices or dispose of the securities over a long period of time.

Rebalancing and Adjustment Risk

Adjustments to baskets of securities held by the Fund 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, the 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, the 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 the Fund that invests in such companies.

Some industries, such as health care and telecommunications, are heavily-regulated and may receive government funding. Investments in these sectors may be substantially affected by changes in government policy, such as deregulation or reduced government funding. The value of the Fund may rise and fall substantially.

Sector Risk

Investing in one specific sector of the stock market entails greater risk (and potential reward) than investing in all sectors of the stock market. If a sector declines or falls out of favour, the share values of most or all of the companies in that sector will generally fall faster than the market as a whole. The opposite is also true.

An industry can be significantly affected by, amongst other things, supply and demand, speculation, events relating to international political and economic developments, energy conservation, environmental issues, increased competition from other providers of services, commodity prices, regulation by various government authorities, government regulation of rates charged to customers, service interruption due to environmental, operational or other mishaps, the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards, and general changes in market sentiment. Moreover, it is possible that other developments, such as increasingly strict environmental and safety laws and regulations and enforcement policies thereunder and claims for damages to property or persons resulting from operations, could result in substantial costs and liabilities, delays or an inability to complete projects or the abandonment of projects.

Exposure to equity securities that have exposure to commodity markets may entail greater volatility than traditional securities. The value of securities exposed to commodity markets may be affected by commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes and tariffs.

The extent of these factors cannot be accurately predicted and will change from time to time, but a combination of these factors may result in issuers not receiving an adequate return on invested capital. Many industries are very competitive and involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome.

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)

- 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.

Small Capitalization Company Risk

The Fund may invest in securities of small capitalization companies. The business models for these companies involve significant risks including the entire loss of the investment in the company. These companies can also provide significant returns if their underlying business grows at a substantial rate. Small capitalization companies typically have limited market and financial resources. They are less able to sustain adverse competitive and market changes. Companies with small capitalizations may not have a well-developed or liquid market for their securities. Accordingly, these securities may be difficult to trade, making their prices more volatile than securities of companies with large capitalization.

Short Selling Risk

The Fund may engage in a limited amount of short selling. A "short sale" is where the 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. The Fund 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 Fund will also deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits.

Substantial Securityholder Risk

A single investor may buy or sell large numbers of Securities of the Fund. As a result, the Fund may have to alter its portfolio significantly to accommodate large fluctuations in assets. The 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 the 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 NAV and negatively impact on its returns. Such risk is higher where a substantial securityholder engages in short term trading or excessive trading. The Fund does, however, have policies and procedures designed to monitor, detect and deter inappropriate short-term or excessive trading. See "Short-term Trading" on page 25.

Tax Risk

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

If the Fund does not or ceases to qualify as a "mutual fund trust" under the Tax Act, the income tax considerations described herein would be materially and adversely different in certain respects.

The Tax Act contains tax loss restriction rules that apply to trusts such as the 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 Units of the Fund having a fair market value that is greater than 50% of the fair market value of all the Units of the Fund. If such circumstances occur, the 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 Unitholders of the Fund as a distribution on their Units (or tax thereon paid by a the Fund in respect of such year). Accordingly, in such event, distributions on the Units in the form of Units (which will be automatically consolidated) and/or cash may be declared and paid to Unitholders. In addition, accrued capital losses and certain other realized losses of the Fund would be unavailable for use by the Fund in future years. Given the manner in which Units are distributed, there will be or may have been circumstances in which it will not be possible to control or identify whether the Fund has become subject to the loss restriction event rules. As a result, there can be no assurance that the 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 the 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 Fund 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 Unit. 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 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, 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 of their assets in other funds 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 the Fund. If the Fund purchases or redeems 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.

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 Fund. 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, the 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 FUND

This section tells you about the companies that are involved in managing or providing services to the Fund.

Manager and Trustee: Redwood Asset Management Inc. 130 Adelaide Street West Suite 1700 P.O. Box 83 Toronto, Ontario M5H 3P5	Redwood is the manager, portfolio manager and promoter of the Fund. Redwood manages the day-to-day business and operations of the Fund, provides all general management and administrative services. Redwood is also the trustee of the Fund. Redwood, as trustee holds actual title to the property in the Fund on behalf of the unitholders of the Fund.
Portfolio Advisor: Redwood Asset Management Inc. Toronto, Ontario	A Portfolio Advisor is responsible for the investment portfolio of a Fund. A Portfolio Advisor conducts research, selects, purchases, sells, and makes all investment decisions with regard to the portfolio securities of a Fund. A Portfolio Advisor is responsible for any loss that arises out of any failure of the Portfolio Advisor: (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of a Fund and the Portfolio Advisor; or (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

Custodian: CIBC Mellon Trust Company Toronto, Ontario	The custodian holds the assets of the Fund and is responsible for ensuring that they are safe and secure. The custodian is independent of the Manager and the Fund.
Registrar and Transfer Agent of the mutual fund shares/mutual fund units:	CIBC Mellon Global Securities Services Company, at its principal office in Toronto, Ontario, is the registrar and transfer agent for the mutual fund units. The register of the Funds for these units is kept in Toronto.
Registrar and Transfer Agent and Plan Agent of the ETF Securities:	TSX Trust Company is the registrar and transfer agent and dividend reinvestment plan agent for the ETF Securities. The register for the ETF Securities is kept in Toronto.
Auditors: Ernst & Young LLP Toronto, Ontario	The auditors annually audit the financial statements of the Fund to determine whether they fairly present, in all material respects, the Fund's financial position, results of operations and changes in net assets in accordance with applicable generally accepted accounting principles. 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. The auditors are independent of the Fund in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.
Securities Lending Agent: CIBC Mellon Global Securities Services Company, Canada Toronto, Ontario	The securities lending agent acts on behalf of the Fund in administering securities lending transactions entered into by the Fund. The securities lending agent is independent of the Fund and Manager.
Independent Review Committee:	Under Canadian securities laws, the Fund is required to have an independent review committee. Redwood is advised by an independent review committee ("IRC") consisting of 3 individuals, each of whom is independent of Redwood, the Fund and entities related to Redwood. In fulfilling its duties, the IRC reviews and provides input on conflict of interest matters in respect of Redwood and the Fund. The IRC also provides advice to Redwood on other issues relating to the management of the Fund.
	The IRC prepares, at least annually, a report for securityholders of its activities. This report will be available, at no cost, on the Redwood website at www.redwoodasset.com or upon request, at no cost, by contacting Redwood by email at invest@redwoodasset.com.
	Additional information about the independent review committee, including the names of its members, is available in the Fund's annual information form.

Investments in underlying funds

The Fund may invest in underlying funds, subject to certain conditions. Redwood, as manager, will either not vote the securities of the underlying funds if the underlying funds are managed by Redwood or an affiliate or will pass the voting rights directly to securityholders of the Fund. Redwood 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

The Fund is available in each of the provinces and territories of Canada and as more specifically discussed below.

You can buy the Fund or sell your mutual fund units through a qualified financial advisor or broker. You can convert ETF Securities of the Fund to ETF Securities of another Fund through a registered broker or dealer. You cannot transfer or convert mutual fund units of the Fund for ETF Securities or ETF Securities of the Fund for mutual fund units of a class.

You can sell your fund investment by contacting your financial advisor. Selling may also be known as "redeeming". ETF Securities may be sold over the stock exchange for the price then available in the market.

Whether you are buying or selling your funds directly with the Fund, we base the transaction on the price of a Fund unit. The price per unit is called the net asset value or "NAV" per unit. See "Purchases, switches and redemptions – How the securities of the Fund are valued" on page 21.

How the securities of the Fund are valued

The Fund's units are divided into several classes. Each class is divided into units of equal value. When you invest in the Fund, you are actually purchasing units of a specific class of the Fund.

All transactions are based on the class net asset value per unit ("**unit value**"). We usually calculate the unit value for each class of the Fund on each business day after NEO (or Designated Exchange, as applicable) closes, but in some circumstances, we may calculate it at another time. The NAVs can change daily. A separate NAV is calculated for each class of units.

The unit value is the price used for all purchases and redemptions of units of that class (including purchases made on the reinvestment of distributions). The price at which units are issued or redeemed is based on the next applicable unit value determined after the receipt of the purchase, switch or redemption order.

The NAV of each class of the Fund is calculated as follows:

(a) First, we determine the fair value of all of the investments and other assets allocated to a class.

(b) Second, we subtract the liabilities allocated to that class from the fair value of such class. The difference between the fair value and the liabilities expressed in Canadian dollars at the applicable exchange rate on such date of a class is the net asset value for that class.

(c) Lastly, we divide the net asset value for a class by the total number of units of that class that investors in the Fund are holding, which gives us the NAV for that class.

You can determine the worth of your investment in the Fund by multiplying the NAV of the class of units you own by the number of units you own.

Although the purchases and redemptions of units are recorded on a class basis, the assets attributable to all of the classes of the Fund are pooled to create one Fund for investment purposes. Each class pays its proportionate share of Fund costs in addition to its management fee and administration fee. The difference in Fund costs, management fees and administration fees between each class means that each class has a different net asset value per unit.

You may obtain the NAV of the respective class of the Fund by visiting Redwood's website at www.redwoodasset.com or by calling 1-877-789-1517.

How to buy, redeem and switch

It is up to you or your investment professional, if applicable, to determine which class is appropriate for you. Different classes may have different minimum investment levels and may require you to pay different fees. The choice of different purchase options requires you to pay different fees and expenses and affects the amount of compensation received by your dealer. See "Fees and expenses" on page 34 and "Dealer compensation" on page 39.

Issuance of mutual fund units

Class A Units

Class A Units are available to all investors through authorized dealers. Class A Units are Canadian dollar denominated.

Class F Units

Class F Units are available to investors who have fee based accounts with their dealer. The Manager has designed the Class F Units to offer investors an alternative means of paying their dealer for investment advice and other services. Instead of paying sales charges, investors buying Class F Units pay fees to their dealer for investment advice and other services. The Manager does not pay any commissions to dealers in respect of the Class F Units which allows it to charge a lower management fee. Class F Units are Canadian dollar denominated.

If a securityholder ceases to be eligible to hold Class F Units, the Manager may switch a securityholder's Class F Units into Class A Units of the Fund after providing the securityholder with five (5) days' notice unless the securityholder notifies the Manager during the applicable notice period and the Manager agrees that such securityholder is once again eligible to hold Class F Units. Securityholders may be charged a sales commission in connection with the switch by their dealer.

Initial investment

An investment in Units requires you to invest and maintain a minimum balance. The table below outlines these minimums along with the minimum requirements for additional investments, pre-authorized purchase plans and redemptions of each series or class of a Fund. See "Optional services" on page 31.

Series/Class	Minimum Balance$^{(1)(2)}$	Minimum Additional Investments/ Pre-authorized purchase plans/Redemptions$^{(1)(2)(3)}$
A..	$5,000	$100
F	$5,000	$100

Notes:

(1) Amounts in Canadian dollars.

(2) Investors purchasing through dealers may be subject to higher minimum initial or additional investment/redemption amounts.

(3) Minimums are per transaction in Canadian dollars.

Mutual fund units

If your balance falls below the minimum required balance for the Fund or class, as the case may be, or you otherwise become ineligible to hold the Fund or class, as applicable, we may redeem or switch your units. Where a securityholder is or becomes a citizen or resident of the U.S. or a resident of any other foreign country, we may require such securityholder to redeem their units if their participation has the potential to cause adverse regulatory or tax consequences for the Fund or other securityholders of the Fund. We may redeem your units if we are permitted or required to do so, including in connection with the termination of the Fund, in accordance with applicable law. If we redeem or switch your units, the effect will be the same as if you initiated the transaction. For redemptions in non-registered accounts, we may transfer the proceeds to you, and for redemptions in Registered Plans, we may transfer the proceeds to a registered savings deposit within the plan. We will not give you or your dealer notice prior to taking any action.

For us to act on an order to buy, redeem or switch units, the branch, telephone salesperson or dealer must send the order to us on the same day it is received before 4:00 p.m. (Toronto time) or such other time as indicated on the website for the Fund ("order cut-off time") and assume all associated costs.

When you place your order through a financial advisor, the financial advisor sends it to us. If we receive your order before the order cut-off time your order will be processed using that day's NAV. A separate NAV is calculated for each series of class of units. If we receive your order after the order cut-off time, your order will be processed using the next business day's NAV. If the Manager determines that the NAV will be calculated at a time other than after the usual closing time of NEO, the NAV paid or received will be determined relative to that time. All orders are processed within three business days. All orders will be processed within two business days. You will find more information about buying, redeeming and switching units, as the case may be, of the Fund in the annual information form of the Fund. A dealer may establish earlier cut-off times. Check with your dealer for details.

You have to pay for your units when you buy them. If we do not receive payment in full, we will cancel your order and redeem the units including any securities you bought through a switch. If we redeem the units for more than the value for which they were issued, the difference will go to the Fund. If we redeem the units for less than the value for which they were issued, we will pay the difference to the Fund and collect this amount, plus the cost of doing so, from your dealer. Your dealer may require you to reimburse the amount paid if it suffers a loss as a result.

We have the right to refuse any order to buy or switch units. We must do so within one business day from the time we receive the order. If we refuse your order to buy or switch, we will immediately return any monies we received with your order.

Issuance and Listing of ETF Securities

The Manager, on behalf of the Fund, has applied to list the ETF Securities of the Fund on NEO. Subject to receiving conditional approval and meeting NEO's original listing requirements in respect of the ETF Securities and a receipt being issued for the final prospectus of the ETF Securities by the securities regulatory authorities, ETF Securities of the Fund will be listed on NEO and offered on a continuous basis, and an investor will be able to buy or sell ETF Securities on NEO (or any other exchange on which the ETF Securities are traded) through registered brokers or dealers in the province or territory 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 U.S. dollar denominated**.**

All orders to purchase ETF Securities directly from the Fund must be placed by the designated broker or dealers. The Fund reserves the absolute right to reject any subscription order placed by the designated broker or dealer. No fees will be payable by the 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 the Fund.

Redwood, on behalf of the Fund, has entered or will enter, as the case may be, into a designated broker agreement with a designated broker pursuant to which the designated broker agrees, or will agree, to perform certain duties relating to the ETF Securities of the Fund including, without limitation: (i) to subscribe for a sufficient number of ETF Securities to satisfy the original listing requirements of the applicable Designated Exchange; (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 applicable Designated Exchange. Redwood may, in its discretion from time to time, reimburse any designated broker for certain expenses incurred by the designated broker in performing these duties.

The designated broker agreement provides that Redwood may from time to time require the designated broker to subscribe for ETF Securities of the Fund for cash in a dollar amount not to exceed 0.30% of the NAV of the ETF Securities, of the Fund per quarter. The number of ETF Securities issued will be the subscription amount divided by the NAV per ETF Unit 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 second trading day after the subscription notice has been delivered.

On any trading day, a designated broker or dealer may place a subscription order for the prescribed number of ETF Securities, (or an integral multiple thereof) of the 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 second 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 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 the 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. See "Purchases, switches and redemptions – Redemptions – ETF Securities" on page 28.

Short-term trading

Mutual Fund Units

Most mutual funds are considered long-term investments, so we discourage investors from buying, redeeming or switching units, as the case may be, frequently.

Some investors may seek to trade Fund units frequently in an effort to benefit from differences between the value of the Fund's units and the value of the underlying securities ("market timing"). Frequent trading or switching in order to time the market or otherwise can negatively impact the value of the Fund to the detriment of other securityholders. Excessive short-term trading can also reduce the Fund's return because the Fund may be forced to hold additional cash to pay redemption proceeds or, alternatively, to sell portfolio holdings, thereby incurring additional trading costs.

Depending on the particular circumstances, Redwood will employ a combination of preventative and detective measures to discourage and identify excessive short-term trading in the Fund, including:

(a) imposition of short-term trading fees; and

(b) monitoring of trading activity and refusal of trades.

ETF Securities

At the present time, we are of the view that it is not necessary to impose any short-term trading restrictions on the Fund, 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 Fund for any costs and expenses incurred in relation to the trade.

Short-term trading fees for mutual fund units

If you redeem or switch mutual fund units within 30 days of purchase, we may charge a short-term trading fee on behalf of the Fund in circumstances where we determine that the trading activity represents market timing or excessive short-term trading. This is in addition to any switch fee that you may pay to your dealer. No short-term trading fees are charged on redemptions made under a systematic withdrawal plan or redemptions that may occur when an investor fails to meet the minimum investment amount for the Fund. See "Fees and Expenses – Fees and expenses payable directly by you" on page 37.

Fees charged will be paid directly to the Fund, and are designed to deter excessive trading and offset its associated costs. For the purposes of determining whether the fee applies, we will consider the units that were held the longest to be the units which are redeemed first. The fee will not apply in certain circumstances, including:

(a) pre-authorized or systematic withdrawal plans;

(b) redemptions of units purchased by the reinvestment of distributions; or

(c) redemptions initiated by Redwood or a mutual fund where redemption notice requirements have been established by Redwood.

Monitoring of trading activity

We regularly monitor transactions in the Fund. We have established criteria for the Fund that we apply fairly and consistently in an effort to eliminate trading activity that we deem potentially detrimental to long-term securityholders. We have the right to restrict or reject any purchase or switch order without any prior notice, including transactions accepted by your dealer.

Generally speaking, your trading may be considered excessive if you sell or switch your units of the Fund within 30 days of buying them on more than one occasion.

We have the right to consider trading activity in multiple accounts under common ownership, control or influence as trading in a single account when exercising our right to reject a purchase or switch. **Whether your trading is considered excessive will be determined by Redwood in its sole discretion.**

Purchases

The Fund may have an unlimited number of classes of units and may issue an unlimited number of units of each class. See "Purchases, switches and redemptions – How to buy, redeem and switch" on page 22.

Each class of units is intended for different types of investors. The money that you and other investors pay to purchase units of any class is tracked on a class-by-class basis in your Fund's administration records. However, the assets of all classes of any Fund are combined in a single pool to create one portfolio for investment purposes.

When you buy units of the Fund, the price you pay is the net asset value of those units. Each class of units has a separate net asset value. See "Purchases, switches and redemptions – How the securities of the Fund are valued" on page 21.

When you buy Class A Units, you may pay a fee. You and your dealer negotiate that fee, which may be up to 5% of the cost of the Class A Units and you pay it to your dealer when you buy the units. Redwood is not involved in determining, collecting or paying any fees negotiated directly with your advisor.

We may limit or "cap" the size of the Fund by restricting new purchases, including units bought through switches. We will continue redemptions and the calculation of the Fund's unit value for each class. We may subsequently decide to start accepting new purchases or switches to the Fund at any time.

Switches

No Switching of Units

Securityholders can transfer units, except for ETF Securities, to another fund in Redwood's group of funds, including units of any new mutual fund which is created and offered by Redwood after the date of this document (provided that units of the new mutual fund have been qualified for sale in your province or territory of residence). A switch involves the redemption of the units of a Fund and a purchase of units in another Fund or other permitted fund. You cannot switch ETF Securities for units of another series of the same Fund or for units of another Fund.

Redemptions

Mutual fund units

You can sell some or all of your mutual fund units at any time. This is called a redemption. Redemptions will only be permitted in certain minimum amounts. See "Purchases, switches and redemptions – How to buy, redeem and switch" on page 22 for details. Your dealer must send your redemption request on the same day it is received. The dealer must assume all associated costs. Redemption requests for the Fund are processed in the order in which they are received. We will not process redemption requests specifying a forward date or specific price.

Redemption orders which are received by Redwood before 4:00 p.m. (Toronto time) or such other order cut-off time as specified by Redwood on any valuation date will be priced using that day's NAV. Redemption orders which are received by Redwood after 4:00 p.m. (Toronto time) or such other cut-off time as specified by Redwood on a valuation date will be priced on the next valuation date. If Redwood decides to calculate NAV at a time other than after the usual closing time of NEO, the NAV value received will be determined relative to that time. Note that your dealer may establish an earlier cut-off time.

Redemption requests for mutual fund units of the Fund must be for an amount of at least $1,000 (unless the account balance is less than $1,000).

Within two business days following each valuation date, we will pay to each securityholder who has requested a redemption the value of the units determined on the valuation date. Payments will be considered made upon deposit of the redemption proceeds in the securityholder's bank account or the mailing of a cheque in a postage prepaid envelope addressed to the securityholder unless the cheque is not honoured for payment.

Your redemption (or switch) transaction will not be processed until your dealer has received all documentation. Your dealer will inform you of the documentation it requires. Your dealer must provide all required documents within 10 business days of the date your redemption order is processed. If not, we will repurchase the units for your account. If the cost of repurchasing the units is less than the redemption proceeds, the Fund will keep the difference. If the cost of repurchasing the units is more than the redemption proceeds, your dealer must pay the difference and any related costs. Your dealer may require you to reimburse the amount paid if the dealer suffers a loss.

If you redeem units of the Fund, you can tell us to mail you a cheque or transfer the proceeds to your bank account with any financial institution. **For non-registered accounts, you are responsible for tracking and reporting to the Canada Revenue Agency any capital gains or losses that you realize from redeeming or switching units of the Fund.** If you hold your Units in a Registered Plan, withholding tax may apply if you withdraw money from the plan.

The Manager has the right, upon 30 days' written notice to you to redeem Securities of the Fund owned by you if the value of those Securities is less than $5,000**.**
You may prevent the automatic redemption by purchasing additional Securities to increase the value of your Securities to an amount equal to or greater than $5,000 before the end of the applicable 30 day notice period.

ETF Securities

On any trading day, holders of ETF Securities may redeem ETF Securities for cash at a redemption price per ETF Unit equal to the lesser of (a) 95% of the market price of the ETF Securities, on the effective date of redemption and (b) the net asset value per ETF unit. "Market price" means the weighted average trading price of the ETF Securities 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 applicable Designated Exchange 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 second 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, the Fund will generally dispose of securities or other 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, as the case may be, 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

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 second 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 Unit of the Fund 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.

Costs associated with exchange and redemption

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

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.

When you may not be allowed to redeem your units

Under extraordinary circumstances, you may not be allowed to redeem your units. We may suspend your right to redeem if:

(a) normal trading is suspended on any stock exchange or market where more than 50% of the assets of the Fund are listed or traded; or

(b) we get permission from the Canadian Securities Administrators to allow us to temporarily suspend the redemption of units.

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 Fund 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 the Fund through purchases on the applicable Designated Exchange 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 the Fund at any meeting of securityholders.

Non-Resident Securityholders

At no time may: (i) non-residents of Canada; (ii) partnerships that are not Canadian partnerships; or (iii) a combination of non-residents of Canada and such partnerships (all as determined for purposes of the Tax Act), be the beneficial owners of a majority of the units of the Fund. The Manager may require declarations as to the jurisdictions in which a beneficial owner of units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the units of the Fund then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of such units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their units or a portion thereof within a specified period of not less than 30 days. If the unitholders receiving such notice have not sold the specified number of units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such unitholders sell such units and, in the interim, shall suspend the voting and distribution rights attached to such units. Upon such sale, the affected holders shall cease to be beneficial holders of units and their rights shall be limited to receiving the net proceeds of sale of such units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Fund as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Fund as a mutual fund trust for purposes of the Tax Act.

International information reporting

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention entered into by Canada and the United States on February 5, 2014 and related Canadian legislation found in Part XVIII of the Tax Act, Unitholders will be required to provide their dealer with information related to their citizenship or residence for tax purposes and, if applicable, a U.S. federal tax identification number. If a Unitholder does not provide the information or is identified as a U.S. citizen or U.S. resident, details of the Unitholder's investment in the Fund will generally be reported to the Canada Revenue Agency, unless the investment is held within a Registered Plan. The Canada Revenue Agency will then provide the information to the U.S. Internal Revenue Service.

The Tax Act also includes provisions that require procedures to be in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities the "controlling persons" of which are resident in a foreign country (other than the U.S.) and to report required information to the Canada Revenue Agency Such information would be exchanged on a reciprocal, bilateral basis with the countries that have agreed to a bilateral information exchange with Canada in which the account holders or such controlling persons are resident. Unitholders will be required to provide certain information regarding their investment in the Fund for the purposes of such information exchange (which information exchange is expected to occur beginning in May 2018), unless the investment in held within a Registered Plan.

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 mean, unless the context otherwise requires, the beneficial owner of such ETF Securities.

Neither the Fund, nor Redwood 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 Fund has 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

This section tells you about the optional services we offer to investors.

Distribution reinvestment plan

The Fund may earn income from its investments. It may also realize capital gains when investments are sold at a profit. The Fund pays out its income (less expenses) and net realized capital gains to investors in the form of distributions and may also pay amounts as returns of capital to investors. We call all of these types of payments distributions.

Distributions payable on mutual fund units of the Fund are automatically reinvested in additional mutual fund units. Holders of mutual fund units who wish to receive cash as of a particular distribution record date should speak with their broker, dealer or investment advisor for details.

ETF Securities

The Fund has 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 the Fund 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 distribution record date should notify the CDS Participant through which the holder holds its ETF Securities sufficiently in advance of that distribution record date to allow such CDS Participant to notify CDS by 4:00 p.m. (Toronto time) on the distribution record date.

Distributions 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 distributions under the reinvestment plan will not relieve ETF plan participants of any income tax applicable to such distributions. See "Income tax considerations for investors" on page 39.

ETF plan participants may voluntarily terminate their participation in the reinvestment plan as of a particular distribution record date by notifying their CDS Participant sufficiently in advance of that 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 distribution payment date after such notice is received from an ETF plan participant and accepted by a CDS Participant, 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 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 cash contribution

If you want to invest in mutual fund units of the Fund on a regular basis, you can use our pre-authorized purchase plan so that money is automatically withdrawn from your bank account at regular intervals and invested in the Fund. This plan allows you to take advantage of dollar-cost averaging.

Here is how the plan works:

(a) See "Purchases, switches and redemptions – How to buy, redeem and switch" for the minimum initial investment and the minimum additional investments required for Fund or class, as the case may be.

(b) You must have at least $1,000 in your account to set up a pre-authorized cash contribution.

(c) You can invest weekly, bi-weekly, semi-monthly, monthly, quarterly, semi-annually or annually, depending on the kind of account you have. For more information, please ask your dealer.

(d) We will automatically transfer money from your bank account with any financial institution to purchase units in the Fund.

(e) We will cancel your participation in the plan if your payment is returned because there are not sufficient funds in your bank account.

You may choose this option when you first buy mutual fund units or at any time afterwards. You must set up your pre-authorized purchase plan through your advisor. We must receive at least five business days' notice to set up a pre-authorized purchase plan.

We do not charge a fee for setting up your pre-authorized purchase plan. However, your initial investment must meet the minimum initial investment and the minimum additional investments required for the Fund or class. You can only buy mutual fund units in Canadian dollars through your pre-authorized purchase plan.

You may change your pre-authorized purchase plan instructions or cancel such plan at any time as long as we receive at least two business days' notice. If you redeem all of the units in your account, we will terminate your pre-authorized purchase plan unless you tell us otherwise.

ETF Securities

ETF plan participants may also make pre-authorized cash contributions under the reinvestment plan by notifying their CDS Participant sufficiently in advance to allow such CDS Participant to notify the plan agent by 5:00 p.m. (Toronto time) at least ten business days before the last business day of the month. An ETF plan participant may invest a minimum of $100 and a maximum of $5,000 per pre-authorized cash contribution no more frequently than monthly. The Manager reserves the right to reject any request for pre-authorized cash contributions.

Distributions due to ETF plan participants, along with any pre-authorized cash contributions, will be applied, on behalf of ETF plan participants, to purchase ETF plan securities in the market. ETF plan securities will be allocated pro rata based on the number of ETF Securities held by ETF plan participants. ETF plan securities will be credited for the benefit of ETF plan participants to the account of the CDS Participant through whom that ETF plan participant holds ETF Securities.

Systematic withdrawal plan
Mutual fund shares

If you would like to make regular withdrawals from your non-registered investment in a Fund, you can open a systematic withdrawal plan. Here is how the plan works:

(a) You must have at least $15,000 in your non-registered account to set up a systematic withdrawal plan.

(b) You can choose to withdraw a minimum of $100 weekly, bi-weekly, semi-monthly, monthly, quarterly, semi-annually or annually, depending on the kind of account you have. For more information, please ask your dealer.

(c) We will deposit the money directly to your bank account.

(d) If you decide to discontinue your systematic withdrawal plan and your investment is below the minimum balance for a Fund, we may ask you to increase your investment to the minimum amount or to redeem your remaining investment in the Fund.

We must receive at least five business days' notice to set up a systematic withdrawal plan. We do not charge a fee for such plan. However, we may set a minimum withdrawal amount.

You may change your systematic withdrawal plan instructions or cancel such plan at any time as long as we receive at least two business days' notice. Most changes must be made through your advisor or dealer.

It is important to remember that if you withdraw more than your investment is earning, you will reduce and eventually use up your original investment. Remember, a systematic withdrawal plan is like a redemption. You are responsible for tracking and reporting to the Canada Revenue Agency any capital gains or losses you realize on shares disposed of.

Registered Plans

The Fund may be purchased within all Registered Plans subject to tax rules that deal with prohibited investments. See "Income tax considerations for investors – For units held in a Registered Plan" on page 39.

Registered Plans receive special treatment under the Tax Act. A key benefit is that you do not pay tax on the money you earn in these plans until you withdraw it. TFSAs receive generally similar treatment under the Tax Act; however, withdrawals from a TFSA are not taxable. In addition, contributions to an RRSP are deductible from your taxable earnings up to your allowable limit. You should consult your tax advisor for more information about the tax implications of Registered Plans.

FEES AND EXPENSES

The table set forth below outlines the fees and expenses that you may have to pay directly or indirectly when you invest in the Fund. The Fund may have to pay some of these fees and expenses, which you pay indirectly, because those fees and expenses will reduce the value of your investment in the 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 the Fund, or directly to securityholders by the Fund or by Redwood in connection with holding Securities of the 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" series, the type and level of expenses payable by Class F may change. Although security approval will not be obtained, you will be sent a written notice 60 days before the effective date of any increase in fees or other expense or introduction of a new fee or expense.

Fees and expenses payable by the Fund

Management fees:	Redwood, as manager of the Fund, is entitled to a management fee payable by the Fund. The management fee varies for each class of units of the Fund. See the "Fees and expenses" in the fund details table for the Fund in this simplified prospectus for information on the maximum percentage of the management fee which you will be required to pay as an investor in the Fund.
	Redwood is the manager, portfolio manager and promoter of the Fund. Redwood manages the day-to-day business and operations of the Fund and provides all general management and administrative services. The management fee is paid to the Manager in consideration for the services the Manager provides to the Fund. Such services include: filing, signing and certifying disclosure documents to permit the continuous offering of Securities of the Fund 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 Fund and performing all general managerial, supervisory and administrative functions or any other tasks on behalf of the Fund as may be required from time to time.
	No management fees or administration fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the underlying funds of the Fund for the same service. In addition, the Fund will not pay any sales fees or redemption fees upon a purchase or redemption of securities of an underlying fund. Any service fees paid by Redwood to your dealer, will be paid out of the management fee payable to Redwood.
Management fee rebates:	To achieve effective and competitive management fees, Redwood may reduce the management fee borne by certain securityholders who have signed an agreement with Redwood. Redwood will pay out the amount of the reduction in the form of a management fee rebate directly to the eligible securityholder. Management fee rebates are reinvested in units, unless otherwise requested. The decision to pay management fee rebates will be in Redwood's discretion and will depend on a number of factors, including the size of the investment and a negotiated fee agreement between the securityholder and Redwood. Redwood reserves the right to discontinue or change management fee rebates at any time.
Operating expenses:	The Fund pays its own operating expenses, other than advertising costs and costs of dealer compensation programs, which are paid by the Manager. Operating expenses include, but are not limited to, brokerage commissions and fees, taxes, audit, accounting and legal fees and expenses, safekeeping, trustee and custodial fees, interest expenses, registrar and transfer agent fees, regulatory participation fees, administrative costs, the costs of complying with any new

	governmental or regulatory requirement introduced after the date the Fund was established, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses.
	Operating expenses and other costs of the Fund are subject to applicable taxes.
	As the Fund has more than one class of securities, the securityholders of each class bear their pro rata share of those expenses which are common to the operation of all classes as well as those expenses which are attributable solely to that class.
	Effect of HST on MERs
	The Fund is required to pay HST on management fees and administration fees charged to the Fund. In general, the HST rate depends on the residence of the Fund's securityholders at a certain point in time. Changes in existing HST rates, changes to which provinces impose HST and changes in the breakdown on the residence of the Fund's securityholders will have an impact on the management expense ratio of the Fund year over year.
	Independent Review Committee
	The compensation and other expenses of the IRC, including the costs of complying with NI 81-107, is paid pro rata by the Fund and the other investment funds managed by the Manager or its affiliates for which the IRC acts as the independent review committee. IRC members are also reimbursed for travel expenses in connection with meeting attendance. Other fees and expenses payable by the Fund in connection with the IRC include insurance costs, legal fees, and attendance fees for educational seminars. Each member of the IRC is entitled to receive an annual fee of $5,000 plus a per meeting fee of $400 per Fund, subject to a maximum of $40,000 per member per annum.
	These retainers, fees and expenses are allocated amongst the investment funds managed by the Manager in a manner that is fair and reasonable to such Funds.
Fund of funds fees and expenses:	The Fund can invest in underlying funds managed by Redwood or an affiliate of Redwood or by third parties. In accordance with applicable laws, we cannot charge management and administration fees to both the Fund and the underlying funds where, to a reasonable person, that would result in the duplication of a fee for the same services.
	In addition, no sales charges or redemption fees are payable by the Fund in relation to their purchases or redemptions of securities of an underlying fund if the underlying fund is managed by Redwood or an affiliate.

Fees and expenses payable directly by you	
Sales charges	
	A sales charge of 0-5.0% of the amount you invest will be charged if you purchase your Class A Units through your dealer. You may be able to negotiate this amount with your dealer. There are no sales charges payable on purchase of Class F Units. However, investors in Class F Units will have entered into a fee-based program with their dealer.
Short-term trading fees	If a holder of mutual fund units redeems mutual fund units within 30 days of purchasing such mutual fund units, the Manager may charge a short-term trading fee on behalf of the Fund of up to 2% of the value of such units in circumstances where it determines that the trading activity represents market timing or excessive short-term trading. No short-term trading fees are charged on redemptions made under a systematic withdrawal plan or redemptions that may occur when an investor fails to meet the minimum investment amount for the Fund. At the present time, the Manager is of the view that it is not necessary to impose any short-term trading restrictions on the ETF Securities.
	See "Purchases, switches and redemptions – Short term trading – Short-term trading fees for mutual fund units" on page 25.
Registered tax plan fees	Fees may be payable to your dealer if you transfer an investment within a Registered Plan to another financial institution.
	None of these fees are paid to Redwood.
Other fees and expenses	You may have to reimburse your dealer if it suffers a loss as a result of our having to redeem your units for insufficient payment. See "Purchases, switches and redemptions – How to buy, redeem and switch" on page 22.
ETF Securities - administration fee	You may have to pay the 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 fees that you would pay if:

(a) you invested $1,000 in mutual fund units or ETF Securities of the Fund; and

(b) you held that investment for one, three, five or 10 years and you redeemed the entire investment immediately before the end of that period.

		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
No Load Option		Nil	Nil	Nil	Nil	Nil

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

The annual returns, MER and TER for the Fund are not yet available because no ETF Securities have been issued to the public.

PRICE RANGE AND TRADING VOLUME OF ETF SECURITIES

The market price range and monthly trading volume for the Fund is not yet available because the ETF Securities of the Fund are new.

DEALER COMPENSATION

How your investment professional and dealer are paid

Your investment professional usually is the person through whom you purchase the Fund. Your investment professional could be a broker, financial planner or advisor who is registered to sell mutual funds. Your dealer is the firm for which your investment professional works.

Initial Sales Charge

A dealer which distributes Series A of the Fund may receive a sales commission of up to 5.0% ($50 for each $1,000 investment) of such sales by the dealer. This sales charge is deducted from the amount purchased, at the time of purchase, as a commission for the investment firm.

Trailing Commission

We pay a service fee known as a “trailing commission” to your dealer either monthly or quarterly for ongoing services your dealer may provide to you on your Class A Units of the Fund. The service fee is 0.50% of the value of the units you hold.

The trailing commissions may be paid to your dealer annually for as long as you hold the Securities with that dealer. Payments are calculated and accrued daily and paid monthly at the above monthly rate. We also pay trailing commissions to the discount broker for Class A Units of the Fund that you purchase through your discount brokerage account.

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

No trailing commissions are paid in respect of Class F Units or ETF Securities.

Class F Units

We do not pay your dealer a commission if you buy Class F Units. Investors who buy Class F Units pay a negotiated fee to their dealer for investment advice and other services. The Fund may also charge a short-term trading fee if you redeem your units within 30 days of buying them. See "Purchases, switches and redemptions – Short term trading – Short-term trading fees for mutual fund units" on page 25.

ETF Securities

We do not pay your dealer a commission if you buy ETF Securities. At the present time, we are of the view that it is not necessary to impose any short-term trading restrictions on the ETF Securities. See "Purchases, switches and redemptions – Short-term trading – ETF Securities" on page 25.

Other Forms of Dealer Support

We may participate in co-operative advertising programs with dealers to help them market the Fund. We may use part of the management fee to pay up to 50% of the cost of these advertising programs in accordance with rules set out in National Instrument 81-105 – *Mutual Fund Sales Practices*.

DEALER COMPENSATION FROM MANAGEMENT FEES

For the year ended December 31, 2016, none of the management fees paid by the Fund were used to pay for dealer commissions or were paid to dealers for other marketing, promotional or educational activities of the Fund.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This section describes how your investment in the Fund will be subject to Canadian income tax. This description is a general summary and assumes that:

(a) you are a Canadian resident individual (other than a trust), and

(b) you hold your units as capital property and your transactions in units will be taxed on capital account.

Everyone's tax situation is different. You should consult your tax advisor about your individual situation.

How you can earn money from your investment

Your investment in the Fund can earn money from:

(a) distributions paid by the Fund, which may consist of ordinary distributions, capital gains distributions or a return of capital; and

(b) any capital gains you realize when you redeem units of the Fund.

Tax treatment of the Funds

The Fund includes in computing its income taxable distributions received on securities held by it the taxable portion of capital gains realized by the Fund on the disposition of securities held by it, and income earned by any securities lending activity. The Fund includes in computing its income any interest accruing to it on bonds held by the Fund.

The Declaration of Trust governing the Fund requires that it distribute its net income and net realized capital gains, if any, for each taxation year of the Fund to its unitholders to such an extent that the Fund will not be liable in any taxation year for ordinary income tax (after taking into account any applicable losses of the Fund and any capital gains refunds to which the Fund is entitled). If in a taxation year the income for tax purposes of the Fund exceeds the cash available for distribution by the Fund, the Fund will distribute its income through a payment of reinvested distributions.

If the Fund invests in another Fund (an "Underlying Fund") that is a Canadian resident trust other than a SIFT trust, the Underlying Fund may designate a portion of amounts that it distributes to the Fund as may reasonably be considered to consist of: (i) taxable dividends (including eligible dividends) received by the Underlying Fund on shares of taxable Canadian corporations; and (ii) net taxable capital gains realized by the Underlying Fund. Any such designated amounts will be deemed for tax purposes to be received or realized by the Fund as a taxable dividend or taxable capital gain, respectively. An Underlying Fund that pays foreign withholding tax may make designations such that the Fund may be treated as having paid its share of such foreign tax.

The Fund may be subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of property may be considered to be a suspended loss when the Fund acquires a property (a "substituted property") that is the same or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Fund owns the substituted property 30 days after the original disposition. If a loss is suspended, the Fund cannot deduct the loss from the Fund's gains until the substituted property is sold and is not reacquired within 30 days before and after the sale.

In determining the income of the Fund, gains or losses realized upon dispositions of securities in which the Fund has invested will constitute capital gains or capital losses of the Fund in the year realized unless the Fund is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Fund has acquired the securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Fund has elected in accordance with the Tax Act to have each of its "Canadian securities" (as defined in the Tax Act) treated as capital property. Such election will ensure that gains or losses realized by the Fund on the disposition of Canadian securities are taxed as capital gains or capital losses.

The Fund is entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of its units during the year ("**capital gains refund**"). The capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of its investments in connection with redemptions of units.

Generally, the Fund includes gains and deduct losses on income account, rather than as capital gains and capital losses, in connection with investments made through derivative transactions, except where such derivatives are entered into in order to hedge, and are sufficiently linked with, securities that are held on capital account by the Fund, and will recognize such gains or losses for tax purposes at the time they are realized by the Fund. Where the Fund uses derivatives to hedge foreign currency exposure with respect to securities held on capital account, in accordance with the Canada Revenue Agency's published administrative practice, gains or losses realized on such derivatives will generally be treated as capital gains or capital losses. A derivative that is on capital account may nonetheless be treated on income account if it is a "derivative forward agreement" within the meaning of the Tax Act.

The Fund is required to compute its income and gains for tax purposes in Canadian dollars. Therefore, the amount of income, cost, proceeds of disposition and other amounts in respect of investments that are not Canadian dollar denominated will be affected by fluctuations in the exchange rate of the Canadian dollar against the relevant foreign currency.

The Fund may pay foreign withholding or other taxes in connection with investments in foreign securities.

How your investment is taxed

The tax you pay on your investment depends on whether you hold your units in a Registered Plan.

For units held in a Registered Plan
Eligibility

It is intended that units of the Fund will at all times be qualified investments for trusts governed by Registered Plans.

In the case of a TFSA, RRSP and a RRIF, provided that you do not hold a significant interest in the Fund and you deal at arm's length with the Fund for purposes of the Tax Act, the units will not be a prohibited investment for your TFSA, RRSP or RRIF. The 2017 federal budget contains proposals to amend the Tax Act to extend the application of the prohibited investment rules to RESPs and RDSPs. You should speak to your own tax advisor about the prohibited investment rules.

Securities received on the redemption of Securities of a Fund may not be a qualified investment for trusts governed by Registered Plans.

Distributions and capital gains

If you hold your units of the Fund through a Registered Plan, you will not pay tax on distributions or capital gains so long as they remain within the plan. However, any withdrawals or distributions from your Registered Plan may be subject to tax (other than a return of contributions from an RESP or certain withdrawals from an RDSP). Withdrawals from a TFSA are not taxable.

For units not held in a Registered Plan

Buying units before a distribution payment

The net asset value of the units may include income and/or capital gains that have been earned but not yet distributed. If you buy units of the Fund just before it declares a distribution you will be taxed on that distribution payment. Any amount reinvested in additional units of the Fund will be added to the adjusted cost base of your units.

You will be informed each year of the amount of taxable dividends (including eligible dividends) and capital gains dividends that have been paid out to you.

Distributions

(a) In calculating your income each year you must take into account the amount of any distributions (including any management fee distributions) paid or payable by the Fund, whether you receive the distributions in cash or you reinvest them in units of the Fund. Any amount reinvested in additional units of the Fund will be added to the adjusted cost base of your units.

(b) Distributions from the Fund are treated as ordinary income, capital gains, foreign income, dividends (including eligible dividends) from Canadian companies or non-taxable amounts (including a return of capital). Each type of distribution is taxed differently, with distributions that are treated as dividend income, capital gains or a return of capital being treated more favourably than other distributions.

(c) You will be informed each year of the type of distributions paid to you and what amounts are treated as taxable capital gains, taxable dividends (including eligible dividends) on shares of Canadian companies, foreign income and non-taxable amounts (including a return of capital), and the amount of any foreign taxes paid by the Fund for which you may be able to claim a credit for tax purposes to the extent permitted by the Tax Act, where those items are applicable.

(d) If you redeem your units partway through a distribution period, you will not receive a distribution for those units as entitlement to distributions depends on holding units at the time of the distribution. However, a portion or all of the distribution amount will be reflected in the price you received for selling your units.

(e) Distributions made by the Fund from gains on certain derivatives are considered ordinary income, not capital gains.

If you pay management fees directly in respect of units of the Fund held outside a Registered Plan, you should consult your own tax advisor with respect to the deductibility of such management fees in your own particular circumstances.

Calculating your capital gains or losses when you redeem your units

You are responsible for tracking and reporting to the Canada Revenue Agency any capital gain or loss that you realize. Your capital gain or loss for tax purposes on a redemption of units is the difference between the amount you receive for the redemption (less any fees) and the adjusted cost base of those units. One-half of a capital gain or a capital loss is taken into account in determining taxable capital gains and allowable capital losses. Allowable capital losses are only deductible against taxable capital gains in accordance with detailed tax rules. You may also realize capital gains or losses on units redeemed to pay any fees in connection with switches or short-term trading fees.

If you have bought units at various times, you will likely have paid various prices. This includes units you received through reinvested distributions or switches. Your adjusted cost base of a unit of a class is the weighted average cost of all the units you hold in that class of the Fund.

How to calculate the adjusted cost base of a unit of a class of the Fund:

(a) Start with your initial investment, including any sales charges you paid.

(b) Add any additional investments, including any sales charges you paid, including any management fee rebates reinvested in additional units of the class and any amounts switched from other Funds.

(c) Add the amount of any reinvested distributions or other distributions.

(e) Subtract the adjusted cost base of any units that were previously sold or redeemed.

(f) Subtract any distributions that have been treated as a return of capital.

(g) Divide by the number of units of that class that you own.

For Canadian income tax reporting purposes, you must compute all amounts, including adjusted cost base, proceeds of disposition, distributions, and dividends in Canadian dollars using the relevant exchange rate.

Portfolio turnover rate

In general, the higher the portfolio turnover rate of the Fund in a year, the greater the chance that a securityholder may receive a capital gains distribution. If reinvested, this amount will be added to the adjusted cost base of the securityholder's units for tax purposes. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. However, a high turnover rate for the Fund will increase trading costs, which are expenses payable by the Fund.

Alternative Minimum Tax

Individuals who receive distributions of taxable dividends or capital gains from the Fund or who realize net capital gains from the disposition of securities of the Fund may be subject to alternative minimum tax under the Tax Act.

WHAT ARE YOUR LEGAL RIGHTS?

Mutual Fund Units

Securities legislation in some provinces 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 shares or units and get 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 the fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory 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 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 of the Fund will not have the right to withdraw from an agreement to purchase the 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 of the Fund will, in the applicable provinces 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 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 Securities of the Fund 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

Exemptions and Approvals

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

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

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

(c) to relieve the Fund 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*;

(d) to relieve the Fund 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 Fund files a prospectus for the ETF Securities in accordance with the provisions of NI 81-101, other than the requirements pertaining to the filing of a fund facts document; and

(e) to treat the ETF Securities and mutual fund units as if such Securities were separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102.

Additionally, certain dealers of the Fund, 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 summary document of the Fund to a purchaser if the dealer does not deliver a copy of this prospectus.

PART B

SPECIFIC INFORMATION ABOUT THE FUND

How to read these Fund descriptions
Fund details

The Fund is a mutual fund established as a trust under the laws of the Province of Ontario. The authorized capital of the Fund includes one or more classes of exchange-traded units and one or more classes of mutual fund units. An unlimited number of ETF Securities and mutual fund units of the Fund are authorized for issuance. Expenses of each class are tracked separately and a separate NAV is calculated for each class. More details can be found under “Fees and expenses”.

This table gives you a brief summary of the Fund. It describes what type of mutual fund it is, when it was established and the classes of units that the Fund offers. The table also highlights that units of the Fund are a qualified investment for Registered Plans. You will find more information about Registered Plans on page 34. The table also tells you the management fee and administration expenses, if applicable, for each class of units of the Fund.

What does the Fund invest in?
Investment objectives

This section outlines the investment objectives of the Fund and the type of securities in which the Fund may invest to achieve those investment objectives. The Fund’s investment objectives may include capital preservation, generating income, capital growth or a combination of the three. Some Funds focus on diversification across asset classes, while others take a focused investment theme, investing in a particular country or sector as their objective.

Investment strategies

This section describes the principal investment strategies that the investment advisor uses to achieve the Fund’s investment objectives. It gives you a better understanding of how your money is being managed. The format also allows you to compare more easily how different mutual funds are managed.

This section also highlights:

(a) any significant investment restrictions adopted by the Fund; and

(b) the potential use of derivatives and a description of how they will be used.

How the Funds engage in securities lending transactions

The Fund may enter into securities lending transactions.

A securities lending transaction is where the 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.

How the Funds Use derivatives

A derivative is an investment that derives its value from another investment, 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.

The Fund may use derivatives as permitted by securities regulations. They may use them to:

(a) hedge their investments against losses from factors like currency fluctuations, stock market risks and interest rate changes; and

(b) invest indirectly in securities or financial markets, provided the investment is consistent with the Fund's investment objective.

When the 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.

How the Fund Engages in Short Selling

A short sale by the 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 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 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 Fund 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 Fund 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 Fund's short-selling activities. Securities will be sold short only for cash. A security sold short shall not be: (i) a security that the 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 the 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 NAV of the Fund and (iii) the aggregate market value of all securities sold short by the Fund will not exceed 20% of the NAV 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 the Fund to purchase long positions other than cash cover.

Investing in underlying funds

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

In selecting underlying funds, we assess a variety of criteria, including:

(a) management style;

(b) investment performance and consistency;

(c) risk tolerance levels;

(d) calibre of reporting procedures; and

(e) quality of the manager and/or investment advisor.

We review and monitor the performance of the underlying funds in which we invest. The review process consists of an assessment of the underlying funds. Factors such as adherence to stated investment mandate, returns, risk adjusted return measures, assets, investment management process, style, consistency and continued portfolio fit may be considered. This process may result in suggested revisions to weightings of the underlying funds, the inclusion of new underlying funds or the removal of one or more underlying funds.

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

- the other fund is subject to NI 81-102 and offers or has offered securities under a simplified prospectus in accordance with 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 ("**IPU**") 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 Fund 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 Fund to:

- purchase a security of an ETF 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
- to invest in ETFs that are not subject to NI 81-101.

Action on portfolio adjustment

Whenever the portfolio of the Fund allocable to the ETF Securities is rebalanced or adjusted by adding securities to or subtracting securities from that portfolio, the Fund will generally acquire and/or dispose of the appropriate number of securities. On a rebalancing: (a) ETF Securities may be issued, or cash may be paid, in consideration for constituent securities to be acquired by the Fund as determined by Redwood or the investment advisor; and (b) ETF Securities may be exchanged in consideration for those securities that Redwood or the investment advisor determines should be sold by the Fund, or cash may be paid, as determined by Redwood or the investment advisor. Generally, such transactions may be implemented by a transfer of constituent securities to the Fund that Redwood or the investment advisor determines should be acquired by the Fund or a transfer of those securities that Redwood or the investment advisor determines should be sold by the Fund.

What are the risks of investing in the Fund?

Understanding risk and your comfort with risk is an important part of investing. This section highlights the specific risks of the Fund. We have listed the risks in the order of relevance for the Fund. You will find general information about the risks of investing and descriptions of each specific risk under "What is a mutual fund and what are the risks of investing in a mutual fund?" on page 37.

Who should invest in this Fund?

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, please consult your financial advisor.

Investment risk classification methodology

The methodology used to determine each Fund's investment risk level for purposes of disclosure in this prospectus is based on the Investment Risk Classification Methodology in NI 81-102 that came into force effective September 1, 2017, as such methodology may be amended and updated from time to time (the "**Methodology**"). Pursuant to the Methodology, the most comprehensive, easily understood form of risk in this context is historical volatility risk as measured by the standard deviation of fund performance. However, the Manager recognizes that other types of risk, both measurable and non-measurable, may exist and we remind you that a Fund's historical performance may not be indicative of future returns and that a Fund's historical volatility may not be indicative of its future volatility. There may be times when the Methodology produces a result that the Manager believes is inappropriate in which case the Manager may re-classify a Fund to a higher risk level, if appropriate.

Based on the Methodology, each Fund's risk level as described in this document is determined in accordance with a standardized risk classification methodology that is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund. If a Fund does not have at least ten years of performance history, a reference index that is expected to reasonably approximate the Fund's standard deviation is used as a proxy for the ten-year period.

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

Low – for Funds with a standard deviation range of 0 to less than 6;

Low-to-Medium – for Funds with a standard deviation range of 6 to less than 11;

Medium – for Funds with a standard deviation range of 11 to less than 16

Medium-to-High – for Funds with a standard deviation range of 16 to less than 20; and

High – for Funds with a standard deviation range of 20 or greater.

The risk ratings set forth in the tables below do not necessarily correspond to an individual investor's risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding an individual investor's personal circumstances.

The Fund set forth in the table below does not have at least ten years of performance history. As such, the Manager has used a reference index that is expected to reasonably approximate such Fund's standard deviation as a proxy for the ten-year period:

Mutual Fund	Reference Index	Risk Rating
Redwood Energy Credit Fund	Bank of America Merrill Lynch High Yield Energy Index	Medium

Although monitored on a semi-annual basis, we review the risk rating for the Fund on an annual basis and each time a material change is made to the Fund's investment strategies and/or investment objective. Information about the methodology used by Redwood to identify the investment risk levels of the Fund is available on request, at no cost, by calling 1-877-789-1517, by emailing us at invest@redwoodasset.com or by writing to us at the address on the back cover of this simplified prospectus.

Distribution policy

This section tells you how often the Fund pays out distributions of income and capital or a return of capital and how they are paid. See "Income tax considerations for investors" on page 39 for more information.

Fund expenses indirectly borne by investors

We cannot provide information regarding Fund expenses indirectly borne by investors in respect of the Fund or class that has not completed a financial year.

Additional information

Past performance and financial highlights

You can find more information, including past performance and financial highlights, in the annual and interim management reports of fund performance for the Fund, when available. For a copy of these documents, at no cost, call us at 1-877-789-1517, visit our website at www.redwoodasset.com, send an email to us at invest@redwoodasset.com or ask your dealer.

Policies and procedures regarding proxy voting

As manager for the Fund, Redwood has responsibility for the investment management of the Fund, including the exercise of voting rights attaching to securities held by the Fund. Each Fund has proxy voting policies and procedures which require the Fund's voting rights to be exercised in accordance with the best interests of the Fund. Additional information about the policies and procedures regarding proxy voting, including how to obtain a copy of such policies, is available in the annual information form of the Fund.

REDWOOD ENERGY CREDIT FUND

Type of Fund:	High Yield Income Fund
Mutual Fund Shares Offered and Date on which each Share Class Started[1]	February 1, 2018 (date the Class A units and the Class F units of the mutual fund shares are offered to the public) February 1, 2018 (date the ETF Currency Hedged Units[2] and U.S. dollar denominated ETF Non-Currency Hedged Units of the exchange traded shares are offered to the public; formerly, a closed-end fund namely, Energy Credit Opportunities Income fund)
Nature of the Securities:	Mutual Fund and ETF Units
Management Fee	**Series** — **Management Fee**[3] Class A units — 1.20% Class F units — 0.70% ETF Securities — 0.70%
Registered Plan Eligibility	Eligible
Portfolio Advisor	Redwood Asset Management Inc. (Toronto, Ontario)
Auditor	Ernst & Young LLP

Notes:

(1) The Fund was originally established on May 28, 2015 as a closed-end fund and was converted into an exchange traded fund on February 1, 2018 (the "**Conversion Date**"). On the Conversion Date, the initial units have been re-designated as ETF Currency Hedged Units and U.S. dollar denominated ETF Non-Currency Hedged Units.

(2) The prior approval of securityholders of the ETF Currency Hedged Units will be obtained in the event the currency hedging strategy of the ETF Currency Hedged Units is changed.

(3) Plus applicable HST.

What does the fund invest in?

Investment Objectives

The investment objectives of the Fund are to:

(i) to provide holders of units with a stable stream of monthly distributions; and

(ii) to provide Unitholders with the opportunity for growth in the net asset value ("**NAV**") per Unit.

The Fund invests in a portfolio comprised primarily of North American fixed income securities, which may include non-investment grade, investment grade and convertible debt securities (the "Portfolio"). The Portfolio is comprised primarily of fixed income securities issuers involved in the exploration, development, production or supply of energy, as well as issuers that service such industries (collectively the "Energy Sector"), that are actively managed by the Portfolio Advisor. In accordance with Canadian securities legislation, the fundamental investment objective may only be changed with the approval of a majority of securityholders at a meeting called specifically for that purpose.

Investment Strategies

Under normal market conditions, the Fund will invest at least 75% of its net assets in debt securities issued by energy and alternative energy companies. Energy and alternative energy related companies include companies involved in the ownership, exploration, development, production or supply of energy, as well as issuers that service such industries. The Fund will at all times invest in accordance with the requirements of NI 81-102. The Fund may hold cash for strategic reasons.

The Fund may hedge its portfolio exposure in order to reduce the portfolio's sensitivity to changes in energy, resources prices and interest rates. Hedging is intended to enable the portfolio to take advantage of the expected value associated with the Fund's individual portfolio investments while managing the risk that changes in energy, resource prices and interest rates would have on these investments. The hedging strategy will be implemented through the use of derivative instruments in compliance with NI 81-102 including but not limited to futures contracts, options, forward contracts and swaps.

The portfolio holdings may be reconstituted and rebalanced from time to time in the discretion of the Manager. The Fund will be exposed to securities traded in foreign currencies and, generally, 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 in the Manager's discretion with respect to the ETF Currency Hedged Units. However with respect to the U.S. dollar denominated ETF Non-Currency Hedged Units the foreign currency exposure of the portion of the portfolio attributable to such securities will not be hedged back to the Canadian dollar.

In addition, when appropriate, the Fund may use derivatives for both hedging and non-hedging purposes in compliance with NI 81-102, including but not limited to repurchase agreements or reverse repurchase agreements, options, futures contracts, forward contracts and swaps as permitted by Canadian securities laws, to hedge market exposure to protect capital, to hedge against interest rate risk and foreign currency exposure, hedge against losses from changes in the prices of the Fund's investments and/or as a substitute for direct investment.

The Fund may enter into securities lending transactions to generate additional income. All securities lending transactions will be conducted in accordance with NI 81-102.

The Fund may also engage in short selling. In determining whether securities of a particular issuer should be sold short, the Portfolio Advisor uses the same analysis that is described above for deciding whether to purchase securities. The Fund may 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 46 of this document.

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.

You will find more information about derivatives on page 10 under "Derivatives Risk" and on page 47 under "How the Funds Use Derivatives".

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 risks of investing in the Fund include:

- Credit Risk
- Debt Securities Risk
- High Yield Security Risk
- Sector Risk
- Interest Rate Risk
- Credit Ratings Risks
- Income Risk
- Inflation Risk
- Price Fluctuation
- Trading Price of ETF Securities
- Absence of an active market for the ETF Securities
- Portfolio Manager Risk
- Currency Risk
- Derivatives Risk
- Equity Securities Risk
- ETF Risk
- Fixed Income Securities Risk
- International Investing Risk
- Issuer Concentration Risk
- Large Transaction Risk
- Liquidity Risk
- Collateral Risk
- Multi-Class Risk
- Rebalancing and Adjustment Risk
- Regulatory Risk
- Short Selling Risk
- Substantial Securityholder Risk
- Tax Risk
- Underlying Fund Risk
- Valuation Risk
- Capital depreciation risk
- Cease Trading of Constituent Securities Risk
- Preferred Share Risk
- Credit Default Swaps Risks
- Small Capitalization Company Risk
- Securities Lending and Repurchase and Reverse Repurchase Transaction Risk
- Private Company Risk

in the ETF Securities include:

- Absence of an active market for the Fund Securities
- Rebalancing and adjustment risk
- Trading price of Fund Securities

We have classified this Fund’s risk level as Medium.

Who should invest in this fund?

This Fund may be right for you if:

- you want distributions payable to you monthly;
- you want moderate capital growth over the long term;
- you are interested in fixed income opportunities in the energy sector;
- you are investing for the medium and/or long term; and
- you can tolerate medium risk

Please see "Specific information about the mutual fund described in this document – Investment risk classification methodology" on page 50 for a description of how we determined the classification of this fund's risk level.

Distribution Policy

The Fund expects to make distributions monthly. In each calendar year, the Fund will distribute to its investors a sufficient amount of the Fund's net investment income and net realized capital gains so that the Fund will not pay any income tax. The net investment income and the net realized capital gains of the Fund will be distributed annually in December to the Fund's investors. **Annual distributions may include a return of capital. Unless you tell us in writing that you would prefer to receive cash distributions, we will automatically invest Fund distributions on mutual fund units in additional mutual fund units of the same class of the Fund at the applicable NAV per unit thereof on the date of distribution, without any fee.** Please see "Income Tax Considerations For Investors" commencing on page 53 for more details as to taxation matters which may be relevant to you. The Fund may at its discretion change its distribution policy from time to time. Distributions by this Fund are not guaranteed to occur on a specified date and the Fund is not responsible for any fees or charges incurred by you because the Fund did not effect a distribution on a particular date.

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 MER 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:

	1 year	**3 years**	**5 years**	**10 years**
ETF Currency Hedged Units ($)	21.31	69.08	124.39	302.04
U.S. dollar denominated ETF Non-Currency Hedged Units ($)	22.05	71.41	128.50	311.49

Fund expense information for the Class A units and the Class F units of the mutual fund shares are not available as such units have not completed a financial year.

For more information about fees and expenses, see “Fees and expenses” on page 34.

REDWOOD FUNDS

You will find more information about the Fund in its annual information form, fund facts, management reports of fund performance, financial statements and Fund summary documents. These documents are incorporated by reference into this simplified prospectus, which means they legally form part of this simplified prospectus just as if they were printed as part of this simplified prospectus.

You can get a copy of these documents, at your request, and at no cost, by calling toll-free at 1-877-789-1517, by emailing us at invest@redwoodasset.com or by contacting your dealer.

You can also get copies of this simplified prospectus, the fund facts, the annual information form, the management reports of fund performance, the financial statements and the Fund summary documents from the Redwood website at www.redwoodasset.com.

These documents and other information about the funds, such as information circulars and material contracts, are also available at www.sedar.com.

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

Tel: 1-877-789-1517
Email: invest@redwoodasset.com