
REDWOOD INVESTMENTS, LLC

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Firm Brochure (Part 2A of Form ADV)

March 31, 2011

This Brochure provides information about the qualifications and business practices of Redwood Investments, LLC. If you have any questions about the contents of this Brochure, please contact us at 617-467-3000 or sflammey@redwoodinv.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Redwood Investments, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Redwood Investments, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 22, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous Brochure did not require.

In the future, this Item 2 will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. Redwood will also reference the date of the last annual update of this brochure.

In the past redwood offered or delivered information about the firm’s qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, Redwood will ensure that clients receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. Redwood may further provide other ongoing disclosure information about material changes as necessary.

Redwood will further provide clients with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, this Brochure may be requested by contacting Steve Flammey, CFO/CCO at 617-467-3027 or sflammey@redwoodinv.com. The Brochure is also available on our web site www.redwoodinv.com.

Additional information about Redwood Investments, LLC is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Redwood Investments, LLC who are registered, or are required to be registered, as investment adviser representatives of Redwood Investments, LLC.

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Brochure Supplement (Part 2B of Form ADV)

Item 4 – Advisory Business

Redwood Investments, LLC was formed and began managing assets in 2004 by its Founders and Managing Partners Jennifer K. Silver and Michael J Mufson. The firm is registered with the SEC (Securities and Exchange Commission) as a Registered Investment Adviser. Redwood has a total of nine employees. The two partners own 94% of the firm.

Investment Business

Redwood manages taxable and non-taxable U.S. equity investment portfolios. The Redwood investment team invests each client's portfolio in accordance with their risk and return profile and relevant benchmark. Redwood's investment strategies invest in a range of small to large capitalizations securities and encompassing growth and value securities. Further details about Redwood's portfolio strategies are provided in **Item 8**.

Revenue Source

The firm earns revenue solely from management fees paid by clients. Additional details about management fees are discussed in **Item 5**.

Independent custodians, broker dealers, and/or banks hold clients' assets. Redwood's primary custodian is State Street Bank, but clients may choose their own custodian.

As of December 31, 2010, Redwood Investments, LLC managed approximately \$557,761,000 in assets for 118 accounts representing 50 clients.

Item 5 – Fees and Compensation

A client's written agreement with Redwood describes how and when our fees are calculated. Clients may elect to be billed in advance or arrears each calendar quarter, however, Redwood generally bills its fees in arrears. Clients may also elect to be billed directly for fees or to authorize Redwood to directly debit fees from their account(s). Management fees are prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be refunded, and any earned, unpaid fees will be due and payable.

The following table shows Redwood's investment management fees schedule:

Account Value	Management Fee
first \$5 million of account balance	1.00%
next \$5 million of account balance	0.85%
balance above \$10 million	0.75%

Redwood aggregates accounts of related family members for the purpose of calculating management fees. Redwood's fees are subject to negotiation.

Redwood's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses. These additional expenses are paid by the client. Clients may incur charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to Redwood's fee. Redwood does not receive any portion of these commissions, fees, and additional costs.

Item 6 – Performance-Based Fees and Side-By-Side Management

Redwood does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Redwood provides portfolio management services to individuals, corporate and public pension plans, profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, and other institutions. Redwood requires a minimum opening account balance of \$1,000,000; Redwood may, at its discretion, accept a lower initial account size balance.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Redwood employs a fundamental, bottom-up stock selection process that integrates traditional fundamental analysis with proprietary quantitative screening tools. The investment team focuses on companies that demonstrate strong fundamentals), attractive valuation, high quality, and a management team with a demonstrated track record of success. By combining qualitative analysis with systematic risk management tools, the Redwood investment team builds diversified portfolios appropriate to each client's return and risk objectives.

Redwood Investments manages U.S. equity investment portfolios in the following strategies:

Investment Strategy	Objective	Benchmark
Large Cap Core Equity	Invests in large-capitalization (greater than \$1.0 billion) securities across the growth, blend, and value styles	Russell 1000 Index
Large Cap Growth Equity	Invests in large-capitalization (greater than \$1.0 billion) securities, primarily in the growth style	Russell 1000 Growth Index
Small-Mid (SMID) Cap Growth Equity	Invests in small- and mid-capitalization (\$300 million - \$6 billion) securities in the growth style	Russell 2500 Growth Index

The investment strategy for a specific client is based upon a client's objectives and risk profile; Redwood identifies and discusses these items during the initial and subsequent client meetings. A client's investment objectives are recorded during meetings and in correspondence with the them.

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Our investment approach keeps the risk of loss in mind. However, as with all investments, clients face investment risks including the following: Loss of Principal Risk, Interest-rate Risk, Market Risk, Inflation Risk, Currency Risk, Business Risk, Liquidity Risk, and Financial Risk.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Redwood Investments, LLC or the integrity of our management. Neither Redwood nor its employees have been involved in any legal or disciplinary events related to past or present activities.

Item 10 – Other Financial Industry Activities and Affiliations

Redwood does not participate in other industry business activities. Redwood does not have any affiliates.

Item 11 – Code of Ethics and Personal Trading

Redwood has adopted a Code of Ethics for all employees. The Code of Ethics describes Redwood's standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on accepting and reporting of significant gifts and business entertainment items, and personal securities trading

procedures, among other things. All supervised persons at Redwood must annually acknowledge the terms of the Code of Ethics. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request; please contact Steven Flammey, Chief Compliance Officer (CCO), at 617-467-3027 or sflammey@redwoodinv.com. Several employees hold the CFA® designation, and these employees are held to a Code of Ethics as outlined by the CFA Institute (www.cfainstitute.org).

Partners, officers and employees of Redwood may trade for their own accounts in securities which are recommended to and/or purchased for Redwood's clients. The Code of Ethics is designed to ensure Redwood employee's personal securities transactions, activities and interests will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Redwood's clients; these exempt transactions apply to trading of government bonds, money market instruments, mutual funds, and ETFs. Moreover, the Code of Ethics requires pre-clearance of employee transactions, and restricts employee trading in close proximity to client trading activity.

Redwood's CCO, Steve Flammey, reviews all employee trades each month. The CCO's personal trades are reviewed by Managing Partner Jennifer Silver. These reviews ensure that employees' personal trading were approved according to pre-clearance guidelines, and that clients of the firm received preferential treatment. Employees' personal accounts that are managed by Redwood (full discretion similar to other client accounts) are not subject to the pre-approval requirement. These employee accounts are treated as client accounts, and thus are subject to the same portfolio management decisions and fees that are applied to all client accounts.

Redwood will not cross trades between client accounts or between client and principal accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an employee, officer or partner, buys from or sells any security to any advisory client.

Item 12 – Brokerage Practices

Brokers

Redwood Investments' fiduciary role requires that it seek best execution when trading client accounts. Best execution comprises many factors including price, commission cost, quality of trade execution and clearing, and research services. Redwood selects a number of brokers to provide brokerage services. Redwood uses the following criteria to select brokers:

1. The broker's knowledge of the underlying company and the trading activity of the specific security and broker's ability to execute the proposed transaction at the most favorable price possible to the client.
2. The financial strength of the broker.
3. The efficiency of the broker's administrative operations and its ability to assure efficient transactions among Redwood, the brokerage house, the depository institution, if any, the transfer agent and the custodian.
4. The commission or fees to be charged on the transaction, with the understanding that no transaction will be executed if commissions to be charged are not reasonably competitive with prevailing institutional rates.
5. The provision to Redwood of "research services", as described below. In this regard, Redwood does not consider it administratively feasible to allocate to particular accounts or clients a value for research services received on behalf of such account or client, and therefore Redwood does not award brokerage for research services on an account-by-account or client-by-client basis. Periodically Redwood makes a good faith effort to quantify the relative value of research services received from members of the brokerage community and to adjust the awarding of brokerage accordingly, subject to the four preceding criteria.

If clients are referred to Redwood by the broker who has established relationships with the client, and the client requests that the brokerage relationships be maintained, then it will be the client's responsibility to negotiate a commission schedule with that broker. The commissions to the client in such broker-directed accounts may thus, depending on the client's commission arrangement with the broker, be higher than the commission level that Redwood would otherwise be able to obtain for such client.

Soft Dollars

"Soft dollars" refers to the practice of using broker commission dollars to pay for trading-related goods or services in addition to paying for trade execution. That is, historically, full-service broker dealers have provided other services, such as incidental advice, research and analytical tools, with trade execution ("bundled services"). "Soft dollar arrangements" is often used to refer to both bundled services and to the practice of advisers directing part of the commissions paid to dealers to third parties. Congress created a safe harbor under Section 28(e) of the Securities Exchange Act of 1934 to protect advisers from claims that they had breached their fiduciary duties by causing clients to pay more than the lowest available commission rates in exchange for research and execution.

Redwood's Soft Dollar Policy prohibits the firm from entering into brokerage arrangements (whether formal or informal) to use brokerage commissions as payment for goods and services other than order execution services and research (it may not always be simple to determine whether a service meets these requirements, particularly in the case of mixed use items, which must be allocated reasonably). Further, Redwood must act in the best interests of its clients by ensuring that the order execution services or research benefits all clients, that the research adds value to investment or trading decisions, and that the brokerage commissions are reasonable in relation to the goods and services received.

Redwood uses a soft-dollar arrangement called BrokerShare provided by Instinet. The BrokerShare program allows Redwood to separate the cost of trade execution from investment research on a cents per share basis. The industry standard cost for execution ranges from 1 to 2 cents per share, depending on

volume and broker relationship. Redwood's maximum commission with brokers is 4 cents per share. Accordingly, when Redwood trades with Instinet, 1.5 cents per share is assigned to execution and 2.5 cents per share is assigned to research. Payment to brokers for research under the Brokershare program fall under Section 28(e) of the Securities and Exchange Act and thus qualify for Safe Harbor protection associated with soft dollars.

Item 13 – Review of Accounts

On an annual basis, Redwood reviews with each client their investment goals and objectives. The Redwood investment team reviews client portfolios at each investment meeting; these meetings are held three times a week. Moreover, the investment team will increase the frequency of these reviews in response to market conditions.

Item 14 – Client Referrals and Other Compensation

Redwood Investments does not currently pay fees for client referrals.

Item 15 – Custody

All client assets are held at broker dealers, banks, or other qualified custodians ("custodians") who provide account statements directly to clients at their address of record. These custodians should provide a client statement at least quarterly. Redwood will, at times, provide clients with account statements, and urges a clients to carefully review these statements and to compare them with the official custodial records. Redwood statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

According to a recent ruling by the SEC, investment advisers are deemed to have "custody" of client funds if certain conditions are met. From time to time, Redwood may be technically considered to have "custody" of certain types of accounts, such as when Redwood debits a client account for management fees. As a result, the SEC requires an annual surprise audit of those "custodied" accounts by an independent CPA firm; Redwood's independent CPA firm is Miller Wachman, LLP. Redwood complies with this requirement.

Item 16 – Investment Discretion

Redwood accepts discretionary authority to manage securities accounts on behalf of clients. Redwood has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Discretionary trading authority facilitates placing trades in clients' accounts on their behalf so that Redwood may promptly implement the investment policy that they have approved. In all cases, however, such discretion is exercised in a manner consistent with the stated investment objectives for each particular client account, including any limitations and/or restrictions imposed by the client.

Item 17 – Voting Client Securities

Unless the client designates otherwise, Redwood votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. Clients may obtain a copy of Redwood's complete proxy voting policies and procedures upon request. Clients may also obtain information from Redwood regarding how Redwood voted any proxies on behalf of their account(s).

Item 18 – Financial Information

Registered investment advisers are required in this Item 18 to provide you with certain financial information or disclosures about Redwood Investments, LLC's financial condition. Redwood Investments, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.