

Redwood Asset Management, Inc.
Investment Adviser Brochure Supplement
(Form ADV Part 2B)

Supervised Persons Described in this Supplement:

Brett D. Nicholas
Fred J. Matera
Andrew M. Gillmer
Bo Stern
Harold F. Zagunis

March 2013

This Supplement provides information about certain Supervised Persons and supplements Redwood Asset Management, Inc.'s Investment Adviser Brochure. You should have received a copy of that Brochure. Please contact Andrew P. Stone, Chief Compliance Officer, if you did not receive Redwood Asset Management, Inc.'s Brochure or if you have any questions about the contents of this Supplement.

Additional information about these Supervised Persons may also be available on the SEC's website at www.adviserinfo.sec.gov.

Redwood Asset Management, Inc.
One Belvedere Place
Suite 370
Mill Valley, CA 94941-2493
Telephone: 415-389-7373
Email: andy.stone@redwoodtrust.com

Introduction

This Supplement to the Investment Adviser Brochure of Redwood Asset Management, Inc. ("RAM") provides you with information regarding certain Supervised Persons of RAM that make discretionary investment decisions or provide investment advisory services for investment advisory clients of RAM. Because the Supervised Persons of RAM that make discretionary investment decisions and provide investment advisory services work as a team, this Brochure provides information regarding the five Supervised Persons with the most significant responsibility for the day-to-day discretionary investment decisions made for, and investment advisory services provided to, RAM's investment advisory clients.

Educational Background and Business Experience

RAM generally requires that the persons involved in making investment decisions and providing investment advice have a college degree and/or significant experience in the investment management or financial services industries. Set forth below is further information regarding the education and business background of each of the five Supervised Persons with the most significant responsibility for the day-to-day discretionary investment decisions made for, and investment advisory services provided to, RAM's investment advisory clients.

Supervised Person # 1

Name:	Brett D. Nicholas
Year of Birth:	1968
Formal Education:	BA in Economics from University of Colorado
Business Background:	Redwood Trust, Inc. (1996 to present) Current Title: President

Supervised Person # 2

Name:	Fred J. Matera
Year of Birth:	1963
Formal Education:	BS in Economics from Tufts University; MBA in Finance from Wharton School
Business Background:	Redwood Trust, Inc. (2007 to present) Current Title: Chief Investment Officer RBS Greenwich Capital – Managing Director (2001 to 2007)

Supervised Person # 3

Name: Andrew M. Gillmer

Year of Birth: 1969

Formal Education: B Commerce from Univ. of Newcastle; MBA in Finance from Johns Hopkins University

Business Background: Redwood Trust, Inc. (2005 to present)
Current Title: Managing Director

Freddie Mac - Senior Portfolio Manager
(1998 to 2005)

Supervised Person # 4

Name: Bo Stern

Year of Birth: 1977

Formal Education: BS in Business Administration from University of California, Berkeley; MBA from University of California, Berkeley-Columbia University

Business Background: Redwood Trust, Inc. (2003 to present)
Current Title: Treasurer and Managing Director

Supervised Person # 5

Name: Harold F. Zagunis

Year of Birth: 1958

Formal Education: BA in Mathematics from Willamette University;
MBA from Stanford University

Business Background: Redwood Trust, Inc. (1995 to present)
Current Title: Managing Director

Disciplinary Information

Neither RAM nor any Supervised Persons have been involved in any activities resulting in a disciplinary disclosure.

Neither RAM nor any of its management persons have been involved in any activities resulting in a disciplinary disclosure.

No Supervised Person has been the subject of a bankruptcy petition.

Other Business Activities

The Supervised Persons of RAM listed above are also officers of Redwood Trust, Inc. (the corporate parent of RAM) and receive salary and bonus compensation for their employment by Redwood Trust, Inc. Their roles at Redwood Trust, Inc. do not create a material conflict of interest with clients of RAM. Redwood Trust, Inc.'s primary business is engaging in residential and commercial mortgage banking activities and investing in mortgage- and other real estate-related assets.

Additional Compensation

Neither RAM nor any Supervised Persons receive commissions, bonuses or other compensation based on the sale of securities or other investment products. In addition, no Supervised Person received any economic benefit outside of regular salaries or bonuses related to amount of sales, client referrals or new accounts.

Supervision

RAM supervises Supervised Persons by holding regular staff, investment and other ad hoc meetings. Brett Nicholas, RAM's President, is the person responsible for supervising RAM's advisory activities and managing RAM's team of Supervised Persons.

In addition, RAM's Chief Compliance Officer, Andrew Stone, regularly reviews client reports, emails, and trading, as well as employees' personal securities transaction and holdings reports.

Management of these Supervised Persons' activities on behalf of RAM and its advisory clients also takes place through regular investment committee meetings, compliance meetings, and staff meetings, as well as through a quarterly performance evaluation process. In addition, all of these individuals regularly interact on a daily or weekly basis as well as through email.

Both Mr. Nicholas and Mr. Stone can be reached at 415-389-7373.