

REDWOOD

INVESTMENT MANAGEMENT

FIRM BROCHURE (Part 2A of Form ADV)

March 20, 2015

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Redwood Investment Management, LLC. If you have any questions about the contents of this Brochure, please contact Redwood at (310) 693-5375 and/or rrouse@redwoodim.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 Investment Management, LLC is an SEC registered investment adviser; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Redwood Investment Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 1: COVER PAGE

Please refer to previous page.

ITEM 2: MATERIAL CHANGES

This Brochure is dated March 20, 2015. Redwood's previous ADV Part 2 was dated November 17, 2014. This Brochure will be updated annually or when material changes occur since the previous release of Redwood's Brochure. The following is a summary of the changes made to the Brochure:

There were no material changes made to the Brochure since last filing.

Additionally, non-material changes were made through this Brochure. Redwood Investment Management, LLC ("Redwood") encourages each client to read the brochure carefully and contact Redwood with any questions.

Pursuant to new SEC rules, Redwood will ensure that clients receive a summary of any materials changes to this Brochure, along with an offer to provide a full copy of this Brochure upon request, within 120 days of the close of Redwood's fiscal year. Additionally, as the Firm experiences material changes in the future, we will send clients a summary of our "Material Changes" under separate cover, along with the same offer. For more information about Redwood, please call (310) 693-5375.

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Item 4: Advisory Business

A. Description of Firm

Redwood Investment Management, LLC (“Redwood” or the “Firm”) is a Los Angeles, California based investment management firm. As discussed below, Redwood provides discretionary investment advice to certain individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, corporations, other investment advisory firms, affiliated mutual funds, and an affiliated private hedge fund.

Redwood’s strategies have two main objectives:

1. Attempt to minimize the risk of large losses; and
2. Attempt to deliver satisfying long-term returns.

These two objectives are co-dependent. Limiting loss of principal is a primary component to long-term investment success. The risk of loss can be elevated in times of significant market volatility and uncertainty. To manage that risk, Redwood has developed strategies, as discussed in more detail below, that seek to reduce risk and enhance investment performance.

Redwood is an SEC registered investment adviser and notice filed in a number of states, including Arizona, California, Florida, New Jersey, New York, Puerto Rico and Texas. Listed below are Redwood’s principal shareholders (i.e. those individuals or entities controlling 25% or more of this company): Michael T. Messinger.

B. Types of Advisory Services Offered

Redwood provides investment advisory services, under the following arrangements:

1. Providing model portfolio strategies to non-affiliated third party registered investment advisers;
2. As an adviser to clients with separately managed accounts, including clients with individual investment sub-accounts contained within a variable annuity/life product owned by an individual client;
3. As an adviser to affiliated registered mutual funds; and
4. As an adviser to an affiliated private hedge fund.

The following is a brief description of each arrangement:

Model Portfolio Strategies

Redwood provides services under written agreement to non-affiliated third party registered investment advisers (“TPA”), wherein Redwood provides the TPA with model portfolios for their client’s assets (“TPA Clients”) managed in certain investment styles for a fee (“TPA Model Portfolios”). While Redwood has ongoing discretion over the management of TPA Model Portfolios provided, the Firm does not manage or have discretion over any TPA Clients’ assets. All agreed upon terms shall be provided in the agreement between Redwood and the TPA.

As a discretionary manager, Redwood may include the Redwood Managed Volatility Fund (“Redwood Mutual Fund”) as one of the securities in its model portfolio when it believes it is appropriate. When this occurs, Redwood will receive both a management fee as the manager of the overall TPA Model Portfolios as well as a management fee as the manager of the Redwood Mutual Fund. This presents a conflict of interest since Redwood would be receiving additional management fees that it would not have otherwise received but for its role as manager of the Redwood Mutual Fund.

Separately Managed Account Clients

Redwood provides discretionary investment advice to certain individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, and corporations that have entered into an investment management agreement with Redwood. Redwood also manages the client sub-accounts contained within a variable annuity/life product owned by an individual client.

Redwood and the client typically hold an in person or telephone interview to determine if Redwood's strategies fit the client's needs. Investment decisions are not tailored to the individualized needs of any particular investor. Therefore, investors must consider whether the strategy meets their investment objectives and risk tolerance. The individual strategy is further defined in the written investment management agreement. Redwood does not and will not assume any responsibility for the accuracy of the information provided by the client. Please refer to Item 8 for further information on our methods of analysis and the types of securities utilized. Redwood will not maintain custody of client assets, which will typically be deposited in a brokerage firm or bank custodian account. Please refer to Item 15 for further information on custody.

Affiliated Registered Mutual Funds

Redwood serves as the investment adviser to the Redwood Mutual Fund. The investment objective of the Redwood Mutual Fund is similar to the Managed Risk and Defensive Credit Strategies below. Redwood manages the Redwood Mutual Fund portfolio assets based on the specific investment objectives and restrictions as outlined in the Redwood Mutual Fund's prospectus and statement of additional information, rather than on the individual needs and objectives of the Redwood Mutual Fund shareholders. Prior to investing, shareholders should consider whether the investment strategy of the Redwood Mutual Fund meets their investment objectives and risk tolerance. Please refer to the Redwood Mutual Fund prospectus for a complete description of the investment objective and risks pertaining to the Redwood Mutual Fund.

Redwood also serves as the investment adviser to the Redwood Managed Volatility Portfolio ("Redwood VIT Fund"). Shares of the Redwood VIT Fund are not offered directly to the general public, but rather are available as underlying investment options for variable life insurance and variable annuity products issued by unaffiliated insurance companies. These insurance companies are the record owners of the separate accounts holding the Redwood VIT Fund shares. The insurance companies then cause the separate accounts to purchase and redeem portfolio shares according to the investment options chosen by the policyholder. Individual variable annuity contract holders and flexible premium variable life insurance policyholders are not shareholders of the Redwood VIT Fund. However, clients of Redwood may be holders of variable annuity contracts and variable life insurance policies whose separate accounts invest in the Redwood VIT Fund. The investment objective of the Redwood VIT Fund is the same as the Redwood Mutual Fund and is similar to the Managed Risk and Defensive Credit Strategies outlined below. Redwood manages the Redwood VIT Fund portfolio assets based on the specific investment objectives and restrictions as outlined in the Redwood VIT Fund's prospectus and statement of additional information, rather than on the individual needs and objectives of the insurance carrier and/or policyholder. Please refer to the Redwood VIT Fund prospectus for a complete description of the investment objective and risks pertaining to the Redwood VIT Fund.

Both the Redwood Mutual Fund and Redwood VIT Fund (collectively "Redwood's Mutual Funds") may (and have) employ total return swaps (also known as a "derivative") as a form of leverage. While Federal law limits the bank borrowings to one-third of a fund's assets (which includes the borrowed amount), the use of derivatives is not limited in the same manner. Federal law generally requires a fund to segregate or " earmark " liquid assets or otherwise cover the market exposure of its derivatives, including swap contracts. When utilizing leverage, the Redwood Mutual Funds will borrow money to enter into swap contracts that leverage the Redwood's Mutual Fund's portfolios to a significant degree. Both the Redwood Mutual Fund and the Redwood VIT Fund are diversified series of the Northern Lights Fund Trust, an Investment Company registered under the Investment Company Act of 1940.

Affiliated Private Hedge Fund

Redwood serves as the investment manager to the Redwood Managed Risk Plus L.P. ("Private Fund") and is the managing member of the Private Fund's general partner, Redwood Managed Risk GP, LLC.

Some of Redwood clients are solicited to invest in the Private Fund, if deemed suitable for the client. The Private Fund is only offered to "accredited investors" as defined under Regulation D of the Securities Act of 1933 who are "qualified clients" as set forth in Rule 205-3 under the Advisers Act. In certain circumstances, Redwood may accept an investment from an "accredited investor" who is not "a qualified client" as such term is defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended, whereby the investor is subject to a higher management fee but not subject to the annual performance fee. The investment strategy of the Private Fund is similar to Redwood's Managed Risk Strategy, as

defined below, yet the added use of leverage will in turn increase the return and risk profile and change the investment mandate. Redwood manages the Private Fund's assets based on the specific investment objectives and restrictions of the Private Fund, as outlined in the Private Fund's Offering Memorandum, rather than on the individual needs and objectives of the Private Fund investors. Please refer to the Private Fund's offering documents for a complete description of the investment objective and risks pertaining to the Private Fund.

C. Redwood Strategies

Redwood offers clients several unique investment management strategies. Redwood's strategies seek to manage risk based upon various measures that have been useful historically. Please refer to Item 8 for a description of our methods of analysis and the risks surrounding these strategies. Redwood cannot guarantee that the strategies' objectives will be met. Furthermore, a client's assets can fluctuate and at anytime be worth more or less than the original amount invested.

It is important to note that specific holdings may differ between clients in the same strategy depending on a number of factors, including, but not limited to, the availability of securities and funds on the custodian platform, total assets under advisement, and institutional fund minimum waivers. Depending on the holdings or securities, results may vary. Furthermore, investment decisions are not tailored to the individualized needs of any particular investor. Therefore, investors must consider whether the strategy meets their investment objectives and risk tolerance.

Redwood Managed Risk Strategy: This strategy's investment objective is to realize non-correlated returns characterized by low volatility (more specifically downside deviation) and low drawdowns. The objective is for minimum annual returns to exceed or match the risk-free returns of U.S. Treasury Bills, based on historical performance. This strategy seeks to hold high yield corporate bond mutual funds when various risk measurements show that the funds have the potential to produce positive returns. For purposes of this strategy, high yield bond funds may include leveraged loan funds. Mutual funds are used to provide greater diversification and liquidity than in a portfolio of individual bonds. During periods that Redwood believes to show above average risk, the money is generally moved into money market, money market funds or government security funds.

Redwood Defensive Credit Strategy: This strategy's investment objective is to realize non-correlated returns characterized by low volatility (more specifically downside deviation) and low drawdowns. The objective is for minimum annual returns to exceed or match the risk-free returns of U.S. Treasury Bills, based on historical performance. This strategy seeks to hold high yield corporate bond mutual funds when various risk measurements show that the funds have the potential to produce positive returns. For purposes of this strategy, high yield bond funds may include leveraged loan funds. Redwood may invest up to 25% of net assets in other income-oriented funds (including, but not limited to, emerging market debt, convertible bonds, preferred securities, and global bonds) on an opportunistic basis with flexibility for income generation, total return, and defensive positioning as macro and micro environments change. Mutual funds are used to provide greater diversification and liquidity than in a portfolio of individual bonds. During periods that Redwood believes to show above average risk, the money is generally moved into money market, money market funds or government security funds.

Redwood Multi-Sector Managed Risk Strategy: This strategy's investment objective is to realize non-correlated returns, characterized by low volatility (more specifically downside deviation) and low drawdowns. The objective is for minimum annual returns to exceed or match the risk-free returns of U.S. Treasury Bills, based on historical performance. The strategy seeks to hold a diversified portfolio of mutual funds/exchange-traded funds ("ETFs") within any of the following asset classes when various risk measurements show the potential to produce positive returns: strategic income/multi-sector funds; convertible bonds; preferred securities; emerging market bonds. Mutual funds/ETFs are used to provide greater diversification and liquidity than in a portfolio of individual bonds. During periods that Redwood believes to show above average risk, the money is generally moved into money market, money market funds or government security funds.

Redwood Systematic Macro Trend Strategy (SMarT Strategy): This strategy's investment objective is to generate current income and capital appreciation while also seeking to minimize capital losses during unfavorable market conditions. The strategy seeks to hold a diversified portfolio of mutual funds/ETFs within any of the following asset classes when various risk measurements show the potential to produce positive returns: convertible bonds; preferred securities; domestic &

international small cap equities; growth and income equities; U.S. high yield and leveraged loan bonds; real estate investment trusts; emerging market bonds. Mutual funds/ETFs are used to provide greater diversification and liquidity than in a portfolio of individual securities. During periods that Redwood believes to show above average risk, the money is generally moved into money market, money market funds or government security funds. This is an equity and fixed income hybrid strategy, which differs from the lower risk strategies offered at Redwood detailed above.

D. Advisory Agreements and Client Needs

Redwood and the client will generally enter into a discretionary investment management agreement. The advisory relationship will continue until terminated by the client or Redwood in accordance with the provisions of the agreement. Clients with separately managed accounts with Redwood may impose reasonable restrictions on their account. Redwood reserves the right to not accept and/or terminate management of a client's account if it feels that the client-imposed restrictions would limit or prevent Redwood from meeting and/or maintaining the account's overall investment strategy.

An agreement for an individually managed account may be terminated at any time, by either party, and for any reason, upon written notice (or telephone/verbal notice, in Redwood's sole discretion). Upon receipt of notice of termination of any account, Redwood will commence the process of liquidating and terminating such account, which generally will be completed within five (5) days, but in some cases the process may take longer. Upon termination, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Additionally, if the client requests the account to be transferred in-kind to another custodian, the client will be responsible for any additional custodial transfer fee.

Redwood and Client Process

Prior to entering into an investment management agreement with Redwood, a client should carefully consider:

1. Committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis;
2. That over time the client's assets may fluctuate and at anytime be worth more or less than the amount invested;
3. Because market cycles unfold over many months or years, Redwood's strategies are designed for investors who practice patience with a time horizon of 5-7 years (e.g. a typical full market cycle).

E. Redwood does not participate in wrap fee programs.

F. Amount of Client Assets Managed as of March 20, 2014

The following represents the amount of client assets under management by Redwood on a discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$462,370,102.77
Non-Discretionary	\$0.00
TOTAL:	\$462,370,102.77

Additional assets not included above, but invested in Redwood's Model Portfolios: **\$616,256,570.11**

In addition to Redwood's regulatory AUM listed above, the amount of outside assets that have been invested in Redwood's model portfolios by non-affiliated third party registered investment advisers (TPAs) is \$616,256,570.11, as of March 20, 2015. These assets are not included in Redwood's assets under management outlined above. Please see Item 4B for more information on these services.

ITEM 5: FEES AND COMPENSATION

Below is information on the fees paid to Redwood for the various arrangements listed in Item 4 above. Redwood provides investment advice on a *fee-only* basis.

A. Portfolio Management Fees for Separately Managed Accounts

Redwood generally charges a 2% annual management fee. The actual management fee charged to each client by Redwood will be outlined in the written investment management agreement entered into between Redwood and the client. Our fee schedule is based on the total household account value.

A minimum of \$1,000,000 of assets under management will generally be required to open a separately managed account with Redwood.

Advisory fees are billed in advance at the beginning of each calendar quarter and are based on the total market value of the client's account from the last day of the previous quarter end. Should a client open an account, or add money, midway through a quarter, a prorated fee is charged from the date of the contribution through the quarter end at the beginning of the following quarter. Should a client close an account midway through a quarter, a prorated fee is promptly debited back to the client from the date of the withdrawal through the quarter end. Should a client withdraw money midway through a quarter, a prorated fee is debited back to the client from the date of the withdrawal through the quarter end at the beginning of the following quarter.

Payment of Redwood's fees will be deducted from each client's account on a quarterly basis by their custodian and paid directly to Redwood, unless otherwise directed in writing by a client. The consent for deduction of fees is contained in the written agreement the client enters into with Redwood.

The custodian will deliver a monthly/quarterly account statement directly to the client, which will include all transactions that took place in the account during the period covered and reflect any fees deducted and paid to Redwood. Clients should review the fees charged to their account(s) to fully understand the total amount of all fees charged. Clients are encouraged to review their account statements for accuracy and compare to any reports received by Redwood.

All advisory fees are negotiable in the sole discretion of Redwood. Redwood may, from time to time, vary or waive investment management fees in its sole discretion. Clients should understand that lower fees for comparable services may be available from other investment advisory firms.

Additionally, Redwood may purchase or sell shares of the Redwood Mutual Fund for separately managed accounts and/or may invest a client's variable annuity contracts or variable life insurance policies owned by the client in the Redwood VIT Fund. The portion of a client's Redwood account assets invested in the Redwood Mutual Fund or Redwood VIT Fund will not be subject to Redwood's separately managed account management fee. However, the client will be subject to other fees and expenses applicable to mutual funds and insurance products. These fees and expenses are outlined in the offering documents of these investment products, which should be read carefully prior to purchase. Please refer to Item 5.D below for information on the fees received by Redwood by the Redwood Mutual fund and the Redwood VIT Fund for management services.

B. TPA Model Portfolio Fees

Redwood is paid an annual fee from each TPA, which is negotiable and dependent on the model strategy and services provided. In most cases, the fee will be paid quarterly in advance or arrears and will be based on a percentage of the aggregate fair market value of all the TPA Clients' assets that are invested in accordance with the model portfolio strategies. The TPA generally calculates the fee and pays Redwood accordingly.

C. Affiliated Mutual Fund Fees

Redwood is paid an annual management fee of 1.50% of the daily net assets of the Redwood Mutual Fund. The fee is paid monthly in arrears and is based on the assets of the Redwood Mutual Fund portfolio. Specific management fee and related expense information may be found in the prospectus and statement of additional information for the Redwood Mutual Fund, which should be read carefully before investing. No performance fees are charged to this mutual fund.

Redwood is paid an annual management fee of 1.50% of the daily net assets of the Redwood VIT Fund. The fee is paid monthly in arrears and is based on the assets of the Redwood VIT Fund portfolio. Specific management fee and related

expense information may be found in the prospectus and statement of additional information for the Redwood VIT Fund, which should be read carefully before investing. No performance fees are charged to this VIT fund.

D. Affiliated Private Fund Fees

The Private Fund investor is charged an annual management fee for each series (Series A and Series B) as of the last business day of each calendar month in arrears equal to 1.50% of the total capital account balance of each limited partner in the Private Fund as of the last business day of each month. The Private Fund also is charged a performance-based fee, which differs depending on the series (please refer to Item 6 below for details regarding performance-based fee and the conflicts associated with such types of fees). Specific information about management and performance fees, as well as related expenses and billing, are outlined in the Private Fund's offering documents, which should be read carefully before investing.

E. Other Fees and Important Considerations

All management fees paid to Redwood for the services it provides to clients are separate and distinct from the fees and expenses charged by third parties. These separate fees and expenses include, but are not limited to, custodial fees, execution costs, and underlying mutual fund fees and expenses. Client assets may also be subject to transaction fees, retirement plan administration fees (if applicable), trustee fees, 12b-1 fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. For mutual funds and exchange-traded funds, a client may be charged internal management fees, distribution fees, redemption fees and other expenses, which are fully described in the applicable fund's prospectus. On occasion, Redwood may purchase a mutual fund for client accounts that has a short-term redemption fee. If Redwood or the client sells that fund during the specified redemption period, the sale will result in a fee that is deducted from the sale proceeds.

Redwood does not receive any portion of these other fees and expenses, with the exception of when clients invest in the Redwood Mutual Fund or purchase variable insurance products that contain the Redwood VIT Fund as an underlying investment option. As mentioned in Item 5.D above, Redwood receives fees for the management of the portfolio assets of both of these registered mutual funds. In these cases, the portion of a client's Redwood account assets invested in the Redwood Mutual Fund or Redwood VIT Fund will not be subject to Redwood's separately managed account management fee.

Clients should review the fees charged to their account(s) to fully understand the total amount of all fees charged. Clients should understand that lower fees for comparable services may be available from other investment advisory firms.

In accordance with Rule 204-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act"), Redwood will provide a current copy of Form ADV Part 2A and relevant brochure supplements to each client or prospective client prior to or the same time as the execution of a written investment management agreement with Redwood. After that, the written agreement between Redwood and the client will continue in effect until terminated by either party pursuant to the terms of the agreement and fees will be due or refunded, as applicable.

Neither Redwood nor the client may assign the written investment management agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of Redwood shall not be considered an assignment. Please see Item 12 for more information on Brokerage Practices.

Redwood reserves the right to waive or reduce the account minimums, management fee and/or performance fee with respect to any client, or with respect to any individual investor in the Private Fund, including but not limited to accounts for Redwood employees and/or family members. In addition Redwood may negotiate fees with future clients and/or investors that are different than the fees discussed herein. Some of the factors relevant to charging different fees to those fees stated herein are: account size, the investment strategy and the nature of the relationship between the potential client and Redwood.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Private Fund is charged a performance-based fee by the General Partner. Redwood indirectly benefits since the General Partner is an affiliate of Redwood and has common ownership. Complete details of the performance fee charged are outlined in the Private Fund's offering documents, which should be read carefully prior to investing. Performance fees may only be charged to *qualified clients*, as such term is defined under Rule 205-3 of the Advisers Act.

Importantly, performance-based fee arrangements may create an incentive for Redwood to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Additionally, the performance-based fee structure could also cause the portfolio managers responsible for the portfolios to devote a disproportionate amount of time to their management, and compensation may be larger than it otherwise would have been because the fee/incentive allocation will be based on account performance instead of a percentage of assets under management.

To address these conflicts, Redwood has adopted certain procedures designed to mitigate the effects of these conflicts. For example, as part of Redwood's fiduciary duty to clients, Redwood and its employees will endeavor at all times to put the interests of clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of Redwood clients.

Regarding side-by-side management of performance fee accounts and non-performance fee accounts, clients that are charged different types of fees creates conflicts of interest between Redwood and Redwood clients, in addition to the conflicts listed above. For example, charging performance-based fees could incentivize Redwood to allocate more favorable investments to accounts paying a performance fee. To address and help mitigate these conflicts of interest, Redwood has adopted detailed policies and procedures regarding portfolio management and trading and also has implemented the following:

1. Redwood's portfolio management process is designed to ensure the fair allocation of investment opportunities among clients of every type, the consistency of portfolios with clients' investment objectives and selected strategies, correct and complete disclosures by Redwood, and compliance with applicable regulatory restrictions.
2. If ever applicable, every effort is made to aggregate orders for all client types, with each participating account receiving an average share price for executed trades.
3. Redwood's soft dollars policy is designed to be in accordance with Section 28(e) of the Securities Exchange Act of 1934 and we perform periodic reviews our trade execution and soft dollar arrangements. .
4. Redwood's Chief Compliance Officer conducts a periodic review of client accounts, the portfolio management process and the allocation of investment opportunities to ensure that all are conducted in accordance with our written policies and procedures and federal securities regulations.

It is important to recognize that as it pertains to employing leverage and risks associated with such, Redwood may trade more frequently in strategies or products that employ leverage.

ITEM 7: TYPES OF CLIENTS

Redwood provides investment management services for individuals, pension and profit sharing plans, trusts, estates, corporations, other investment advisory firms, affiliated mutual funds, and an affiliated private hedge fund.

Redwood generally requires a minimum of \$1,000,000 of assets under management for a separately managed account. Clients may impose reasonable restrictions on their account. Redwood reserves the right to not accept and/or terminate management of a client's account if it feels that the client imposed restrictions would limit or prevent it from meeting and/or maintaining the account's overall investment strategy.

If a client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Redwood may be a fiduciary to the plan. In providing investment management services, the sole standard of care imposed upon Redwood is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Redwood will provide certain required disclosures to the "responsible plan fiduciary" (as such term is defined in ERISA) in accordance with Section 408(b)(2), regarding the services Redwood provides and the direct and indirect compensation Redwood receives by such clients. Generally, these disclosures are contained in this Form ADV Part 2A, the client agreement and/or in separate ERISA disclosure documents, and are designed to enable the ERISA plan's fiduciary to: (1) determine the reasonableness of all compensation received by Ascension; (2) identify any potential conflicts of interests; and (3) satisfy reporting and disclosure requirements to plan participants.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

Redwood uses quantitative analysis to meet the objectives of its strategies with the goals of achieving satisfying returns while limiting large losses. Redwood uses technical analysis in an attempt to avoid the steep losses associated with bear markets and to recognize particularly favorable market environments.

To help develop its strategies and recommendations, Redwood uses commercially available services, financial publications and information services dealing with investment research. Such information may be obtainable in print, on computer media, via the Internet or via some other electronic means. Company prepared materials (particularly prospectuses) and research releases prepared by others are utilized. Redwood also uses research materials prepared by various investment product vendors as well as in-house analysts. These research products provide a comprehensive quantitative analysis tool, which allow Redwood to analyze performance and risk measurements to aid in constructing portfolios consistent with strategy objectives.

Redwood primarily utilizes mutual funds and occasionally exchange traded funds (ETFs). All of Redwood's strategies employ risk-limiting sell disciplines. During periods that Redwood identifies as above average risk, the money is generally moved into money market, money market funds or government security funds.

Redwood's strategies rely on technical analysis. Redwood does not employ any fundamental analysis, such as measuring credit risk, forecasting changes in interest rates, or any trends in corporate profits.

B. Risk of Loss

Redwood's investment recommendations are subject to various markets, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account, which the client should be prepared to bear. Redwood does not represent, guarantee or imply that the services or methods of analysis employed can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. In addition, there is no assurance that a mutual fund, an ETF, or any security will achieve its investment objective.

The principal risks of investing in any mutual fund or ETF are market risk, diversification risk and style risk (growth investing risk and mid-cap company risk). To the extent that a mutual fund or ETF invests in foreign securities or debt securities, a fund would be subject to foreign exposure risk, interest rate risk and credit risk. A fund may invest in derivative instruments that carry derivative instruments risk. A principal risk is the risk that the value of securities may decline. Although a mutual fund or ETF may be a diversified fund, it may invest in securities of a limited number of issuers to achieve a potentially greater investment return than a fund that invests in a larger number of issuers. As a result, price movements of a single issuer's securities will have a greater impact on this fund's net asset value causing it to fluctuate more than that of a more widely diversified fund. These and other risk considerations are discussed in a fund's prospectus. Past performance of investments is no guarantee of future results.

Mutual funds reserve the right to reject purchases or delay redemptions, sometimes after the "Purchase decision" is made. These rights may affect Redwood's efforts to manage Redwood's risk. In addition, it is possible for the value of a mutual fund to fall (or to rise more slowly than the stock market as a whole) even when stock prices in general are rising. Risk is involved in fund selection as well as in the timing of trades.

The number of mutual funds that allow for unrestricted trading is limited, and the selection of mutual funds in which Redwood can invest in accordance with its trading strategies is therefore limited to that extent. Mutual funds with which Redwood trade may underperform other mutual funds that have trading restrictions. On occasion, Redwood may purchase a mutual fund for client accounts that has a short-term redemption fee. If Redwood or the client sells that fund during the specified redemption period, the sale will result in a fee that is deducted directly from the client's account.

Redwood uses its best judgment and good faith efforts in providing advisory services to clients. Not every investment decision or recommendation made by Redwood will be profitable. Investments in securities are subject to various market, currency, inflation, economic, political and business risks. Redwood attempts to minimize these risks by using technical indicators and trading strategies.

If margin is used to purchase additional securities, the total value of account assets increases, as does the asset-based fee. In addition, the account is charged margin interest on the debit balance in the account. Notably, the increased asset-based fee presents a potential conflict since there may be an incentive for Redwood to implement the use of margin. Additionally, the use of margin increases leverage in an account and therefore increases overall risk.

As part of the strategy for the Redwood Mutual Fund and the Redwood VIT Fund, Redwood may (and have) employ the use of leverage. As part of the strategy for the Private Fund, Redwood will employ the use of leverage. Leverage is the use of debt to finance an activity. As it pertains to the Redwood Mutual Fund and the Redwood VIT Fund: while Federal law limits the bank borrowings to one-third of the fund's assets (which includes the borrowed amount), the use of derivatives is not limited in the same manner. Federal law generally requires a fund to segregate or " earmark " liquid assets or otherwise cover the market exposure of its derivatives, including swap contracts. When utilizing leverage, Redwood's Mutual Funds will borrow money to enter into swap contracts that may leverage the funds' portfolios to a significant degree. There are risks pertaining to the Redwood Mutual Fund, Redwood VIT Fund, and the Private Fund that are outlined in detail in each fund's prospectus and/or offering documents. It is important for potential investors to fully read the prospectus, statement of additional information, and offering documents, as applicable, before investing.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers such as Redwood are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of Redwood or the integrity of its management. Redwood does not have any such legal or disciplinary events and thus has no information to disclose with respect to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Redwood, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Redwood generally recommends TD Ameritrade Institutional to clients for custody and brokerage services with regards to separately managed accounts. There is no direct link between Redwood's participation with the custodians listed above and the investment advice it gives to its clients. Please refer to Item 12 for further information.

Redwood is the investment adviser to the Redwood Managed Volatility Fund and Redwood Managed Volatility Portfolio, affiliated open-end investment companies registered under the Investment Company Act of 1940. Redwood also serves as

the investment manager to the Redwood Managed Risk Plus, L.P, a private hedge fund, and is the managing member to the Private Fund's general partner, Redwood Managed Risk GP, LLC ("Redwood GP"). There are potential and actual conflicts of interest due to these affiliations, which Redwood addresses in a number of ways. Please refer to Items 5, 6, 8, 12, & 15 for detailed information regarding these conflicts and how they are addressed.

Mr. Michael Messinger, a majority owner of Redwood, is also a majority owner of the Redwood GP. Please refer to Mr. Messinger's ADV Part 2B Supplemental Disclosure brochure for additional information regarding the amount of time Mr. Messinger spends providing services to the Redwood GP and the additional compensation he receives.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics Summary

The Investment Advisers Act of 1940 imposes a fiduciary duty on all investment advisers to act in the best interest of its clients. Redwood's clients therefore entrust the Firm to use the highest standards of integrity when dealing with their assets and making investments that impact their financial future. Redwood's fiduciary duty compels all Redwood associated persons (defined as owners, managers, officers, independent contractors, and associated persons) to act with integrity in all Redwood dealings. Because Redwood's investment professionals often transact in the same securities for their personal accounts as they buy or sell for client accounts, it is important to mitigate potential conflicts of interest. To that end, Redwood has adopted personal securities transaction policies in the form of a Code of Ethics ("Code"), which all Redwood associated persons must follow. Redwood's Code generally sets the standard of business that Redwood requires of its associated persons, requires associated persons to comply with applicable federal securities laws, and sets forth provisions regarding personal securities transactions by associated persons. Additionally, the Code sets forth Redwood's policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary duties that Redwood and each of its associated persons has to each client. The Code is circulated at least annually to all associated persons, and each associated person, at least annually must certify in writing that he or she has received and followed the Code and any amendments thereto. Redwood will provide a copy of the Code to any client or prospective client upon written request.

Redwood obtains information from a wide variety of publicly available resources. Redwood and its personnel do not have, nor claim to have, insider or private knowledge. To ensure insider trading does not take place and to address the conflict of interest regarding obtaining confidential information, Redwood has adopted a firm wide policy statement outlining insider-trading compliance by Redwood and its associated persons. This statement has been distributed to all associated persons of Redwood.

B. Participation or Interest in Client Transactions

Redwood recognizes that the personal securities transactions of its members and associated persons demand the application of a high code of ethics, and Redwood requires that all such transactions be carried out in a way that does not endanger the interest of the client. At the same time, Redwood believes that if investment goals are similar for clients and for associated persons of Redwood, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to address conflicts of interest, Redwood has adopted a set of procedures, including its Code, with respect to transactions effected by its associated persons for their personal accounts. If the possibility of a conflict of interest occurs, the client's interest prevails. It is Redwood's policy that priority will always be given to the client's order over the order of Redwood associated persons.

In order to monitor compliance with its personal trading policy, Redwood has adopted a quarterly securities transaction reporting system for all associated persons. Because the Code would permit associated persons of Redwood to invest in the same securities as clients, there is a possibility that a Redwood associated person could benefit from market activity by a client in a security held by that person. Employee trading is continually monitored under the Code, with an eye to reasonably prevent conflicts of interest between Redwood and its clients.

Redwood does not affect any principal or agency cross securities transactions for client accounts, nor does it affect cross-trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Should Redwood ever decide to affect principal trades or cross-trades in client accounts, it will comply with the provisions of Rule 206(3) of the Advisers Act and update this ADV Part 2A accordingly.

C. Similar Securities

Redwood may, from time to time, purchase the same or similar securities for the Redwood Mutual Fund, Redwood VIT Fund and/or Private Fund at the same time as it affects transactions for other Redwood clients. Additionally, officers, directors, employees, and associated persons, of Redwood may invest in the Private Fund, the Redwood VIT Fund and/or the Redwood Mutual Fund. This could deem associated persons to be indirectly trading before other Redwood clients during times when the Firm aggregates trades for clients, including the Redwood Mutual Fund, Redwood VIT Fund and the Redwood Private Fund. This creates a potential conflict of interest. To address this conflict of interest, Redwood has written policies and procedures regarding aggregation and allocation of trades. Please refer to Item 12 for further information.

ITEM 12: BROKERAGE PRACTICES

A. Selection Criteria

Separately Managed Accounts

Redwood affects all transactions for client accounts through a third-party independent custodian/broker. Redwood periodically evaluates the transaction fees charged and the services provided by the custodian/broker and compares those with other third-party independent custodian/brokers to evaluate whether overall best qualitative execution could be achieved by using alternative custodian/brokers as described in the paragraphs below.

Redwood generally recommends TD Ameritrade Institutional to clients for custody and brokerage services with regards to separately managed accounts. TD Ameritrade is an SEC-registered broker-dealers and members FINRA and SIPC. Prior to engaging Redwood to provide investment management services, the client will be required to enter in an investment advisory agreement with Redwood as well as a separate custodial/clearing agreement with the designated custodian/broker-dealer.

Although the transaction fees paid by Redwood's clients shall comply with the Firm's duty to obtain best execution, a client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction, where Redwood determines, in good faith, that the transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker dealer services, including the value of research provided, execution capability, and responsiveness. Accordingly, although Redwood will seek competitive rates, it may not necessarily obtain the lowest possible fees for client account transactions. The transaction fees charged by the designated custodian/broker-dealer are exclusive of, and in addition to, Redwood's investment management fee.

All custodial fees and charges are fully disclosed on the account statements sent by the custodian. Please refer to Item 12B and Item 14B for more information.

It is important for clients to consider and compare the significant differences between having assets custodied at a broker/dealer, bank, or other custodian prior to opening an account with Redwood. Some of these differences include, but are not limited to: total account costs, trading freedom, transaction fees, and security and technology services.

In addition, specific mutual fund holdings may differ dependent on the custodian platform. Depending on the mutual funds or variable annuity sub-accounts used, results will vary.

TPA Model Portfolios

Redwood does not trade individual accounts assigned to Redwood's model by each TPA; Redwood only sends information and changes on the investments in each model portfolio to the TPA platform provider for investment by TPA clients.

Redwood Registered Mutual Funds

Redwood is authorized by the Trustees for the Redwood Mutual Fund and the Redwood VIT Fund to allocate the orders placed by the Firm on behalf of the Funds to brokers or dealers who may, but need not, provide research or statistical material or other services to the Funds or to Redwood for the Funds' use. Such allocation is to be in such amounts and proportions as Redwood may determine.

In selecting a broker or dealer to execute each particular transaction for the Redwood Mutual Fund and the Redwood VIT Fund, the Firm will take the following into consideration:

- The best net price available;
- The reliability, integrity and financial condition of the broker or dealer;
- The size of and difficulty in executing the order; and
- The value of the expected contribution of the broker or dealer to the investment performance of the Funds on a continuing basis.

Brokers or dealers executing portfolio transactions on behalf of the Redwood Mutual Fund and Redwood VIT Fund may receive commissions or transaction fees in excess of the amount of commissions/transaction fees another broker or dealer would have charged for executing the transactions if Redwood determines in good faith that such commissions/transaction fee are reasonable in relation to the value of brokerage, research and other services provided to the Funds. In allocating portfolio brokerage, Redwood may select brokers or dealers who also provide brokerage, research and other services to other accounts over which Redwood exercises investment discretion. Some of the services received as the result of Redwood Mutual Fund and Redwood VIT Fund transactions may primarily benefit accounts other than those of the Redwood Mutual Fund or the Redwood VIT Fund, while services received as the result of portfolio transactions effected on behalf of those other accounts may primarily benefit the Redwood Mutual Fund and/or the Redwood VIT Fund.

Additional information regarding brokerage selection is outlined in the Funds' prospectus and statement of additional information and should be read carefully prior to investing.

Affiliated Private Fund

The Redwood GP has complete discretion in deciding which, if any, brokers and dealers the Private Fund will use, and in negotiating rates of brokerage compensation. The Firm may cause the Private Fund to buy and sell interests directly from the mutual funds to which it intends to allocate its capital or from the financial intermediaries of those mutual funds. With respect to any other securities held directly by the Private fund, in addition to using brokers as "agents" and paying commissions, the Private Fund may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns.

In choosing brokers and dealers, Redwood will not be required to consider any particular criteria. For the most part, the Firm will seek to obtain the best combination of brokerage expenses and execution quality of Private Fund transactions, but Redwood is not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers.

Additional information regarding brokerage selection is outlined in the Private Fund's offering documents and should be read carefully prior to investing.

B. Research and Other Soft Dollar Benefits

Redwood may select a broker-dealer in recognition of the value of various services or products, beyond transaction execution, that such broker-dealer provides where, considering all relevant factors it believes the broker-dealer can provide best execution. Selecting a broker-dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with "soft dollars." The amount of compensation paid to such broker-dealer may be higher than what another, equally capable broker-dealer might charge. Except for the benefits received from TD Ameritrade as discussed below, Redwood currently has no other soft dollar arrangements in place. The following discussion is intended to provide clients with certain important information regarding such practices, including the potential conflicts of interest surrounding soft dollar arrangements.

Redwood's general policy is to comply with the provisions of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") when entering into soft dollar arrangements. Section 28(e) recognizes the potential conflict of interest involved in this activity, but generally allows investment advisers to use client commissions to pay for certain brokerage and research products and services under certain circumstances without breaching their fiduciary duties to clients. Brokerage and research services may include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement and custody) and providing research information regarding the economy, industries, sectors of securities, individual companies, statistical information, taxation, political developments, legal developments, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis and performance analysis. Such research information can be received in the form of written reports, telephone conversations, personal meetings with security analysts and/or individual company management, and attending conferences. The research services provided by a broker may be proprietary (*i.e.*, provided by the broker providing the execution services) and/or provided by a third party (*i.e.*, originates from a party independent from the broker providing the execution services).

The receipt of such services may benefit Redwood, because Redwood does not have to pay for the research or other products or services when it obtains such products and services by using client commissions. Although customary, these arrangements present potential conflicts of interest in allocating securities transactional business to broker-dealers in exchange for soft dollar benefits, including an incentive to select or recommend a broker-dealer based on Redwood's interest in receiving the research or other products or services, rather than on clients' interest in receiving most favorable execution. Additionally, Redwood may have an incentive to effect more transactions than might otherwise be the case in order to obtain those benefits. The extent of any such conflict depends in large part on the nature and uses of the services and products acquired with soft dollars.

As stated in Item 12.A above, Redwood may recommend that certain clients use TD Ameritrade to maintain custody of clients' assets. There is no direct link between Redwood's recommendation of TD Ameritrade and the investment advice it gives to clients, although Redwood receives certain indirect economic benefits when clients custody their assets with either TD Ameritrade. For example, Redwood may receive from TD Ameritrade, without cost to Redwood, computer software and related systems support, which allow Redwood to better monitor client accounts maintained with TD Ameritrade. Redwood also receives benefits including, receipt of duplicate client confirms and bundled duplicate statements; access to a trading desk that exclusively services participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. Additionally, both custodians provide Redwood with access to their institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a minimum dollar amount of the advisor's clients' assets are maintained in accounts at the custodian. The services provided to clients under these custodian arrangements include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Redwood client accounts maintained with TD Ameritrade under these arrangements, the clients are usually not charge separately for custody

services since the transactions are generally placed with the brokerage division of each custodian. Since the benefits received by both the client and Redwood are paid for with client's commissions/transactions fees, they are deemed to be soft dollar benefits.

Section 28(e) also permits advisers to use the research services provided by brokers to service any or all of the adviser's clients, and the services also may be used in connection with clients other than those making the payment of commissions. Importantly, clients should understand that the use of soft dollars by Redwood may be deemed to be an indirect economic benefit to Redwood, which creates a conflict of interest between Redwood and its clients. To address these conflicts, Redwood has adopted certain procedures designed to mitigate the effects of these conflicts. For example, as part of Redwood's fiduciary duty to clients, Redwood and its associated persons will endeavor at all times to put the interests of Redwood's clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of Redwood clients. Additionally, Redwood has adopted various trading and best execution review procedures to help ensure clients are receiving the best overall deal at the time of the transaction.

Redwood will amend this Form ADV Part 2 should it enter into additional soft-dollar arrangements.

C. Brokerage for Client Referrals

Redwood does not receive client referrals from any custodian or brokerage firm.

D. Directed Brokerage

Redwood does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Redwood will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Redwood. As a result, the client may pay higher transaction costs on transactions for the account than would otherwise be the case through alternative arrangements that may be available through Redwood.

With regard to no-load variable annuity products, Redwood does not offer or sell such products. Redwood manages individual investment sub-accounts contained within a variable annuity/life product owned by individual clients. Redwood is not compensated directly or indirectly by any insurance company. When a client purchases a no-load variable annuity, the assets are custodied with the insurance company or their custodian.

E. Order Aggregation

Transactions for a client account generally will be effected independently from other accounts managed by Redwood. However, Redwood may determine that the purchase or sale of a particular security is appropriate for multiple advisory client accounts, based on a variety of reasons. When this happens, Redwood may determine that it is in these clients' best interest to attempt to execute the trade orders as one or more block trades (*i.e.*, aggregate the individual trade for each account into one or more trade orders). These circumstances may, in turn, give rise to actual or potential conflicts of interest among the accounts for whom the security purchase or sale is appropriate, and among the subset of those accounts actually participating in a block trade, especially if the block trade order results in a partial fill. In order to address these conflicts, Redwood has adopted certain policies and procedures that it follows when aggregating trades in an effort to provide an objective and equitable method of trade allocation so that all clients are treated fairly.

F. Trade Errors

Trade Errors created in a managed account must be corrected so as not to harm any client. The goal of error correction is to make the client "whole." The Firm cannot correct a trade error made in a client's account by using soft dollar credits by allocating the trade to a different account, unless that account was meant to receive the trade in the first place.

ITEM 13: REVIEW OF ACCOUNTS

All accounts are reviewed quarterly by Ryan R. Rouse and/or Michael T. Messinger and upon request of the client.

Additionally, the custodian will provide a written confirmation to each separately managed account client for each transaction, typically within five (5) business days. Each client can opt to receive trade confirmations and/or monthly statements electronically instead of U.S. mail. The custodian also provides a monthly/quarterly statement to each client, showing all current holdings and recent transactions. Additionally, separately managed account clients can view their account via the Internet through online access. Variable annuity and mutual fund families provide similar monthly/quarterly statements showing activity in the account. Clients should review the fees charged to their account(s) to fully understand the total amount of all fees charged. Clients are encouraged to review their account statements for accuracy and compare to any reports received from Redwood.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Compensation for Client Referrals

Redwood, from time to time, enters into agreements with individuals and organizations that refer clients to Redwood ("solicitors"). All such agreements will be in writing and comply with the requirements of Rule 206(4)-3 of the Advisers Act. If a client is introduced to Redwood by a solicitor, Redwood pays that solicitor a fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. While the specific terms of each agreement may differ, generally the compensation will be based upon Redwood's engagement of new clients and the retention of those clients, and is calculated using a varying percentage of the fees paid to Redwood by such clients. Any such fee shall be paid solely from Redwood's management fees, and shall not result in any additional charge to the client.

Each prospective client who is referred to Redwood under such an arrangement will receive a copy of Redwood's Form ADV Part 2 and a separate written disclosure document disclosing the nature of the relationship between the solicitor and Redwood and the amount of compensation that will be paid by Redwood to the solicitor. The solicitor is required to obtain the client's signature acknowledging receipt of Redwood's Form ADV Part 2 and the solicitor's written disclosure statement.

B. Other Compensation

Redwood may enter into "soft dollar" arrangements whereby brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services, which assist Redwood in its investment decision-making process. The receipt of such services may be deemed to be the receipt of an economic benefit by Redwood, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such benefits rather than on a client's interest in receiving most favorable execution. Please refer to Item 12 for detailed information regarding these arrangements and how Redwood addresses the conflicts of interest pertaining to such arrangements.

Redwood participates in the Securities America Advisors, Inc. ("SAA") Premier Partners Program for independent investment advisers ("SAA Program"). SAA is an SEC registered investment adviser. Investment advisers are selected to participate in the SAA Program based on several criteria including, investment strategy, investment performance, transaction reporting capabilities and training and wholesaling support. In exchange for certain benefits received by Redwood, such as an opportunity to participate in the Securities America National Conference and broader access to SAA representatives, Redwood pays SAA to participate in the SAA Program by sharing with SAA a portion of the revenue generated from the sales of our services, in addition to an annual flat fee. Importantly, the fees paid by Redwood to SAA are from Redwood's own resources and not from clients' funds or assets.

ITEM 15: CUSTODY

Pursuant to Rule 206(4)-2 of the Advisers Act, Redwood is deemed to have custody of client funds for two reasons.

The first is because the Firm has the authority and ability to debit its fees directly from clients' separately managed accounts. To mitigate any potential conflicts of interests, all Redwood client account assets will be maintained with an independent qualified custodian. Notably, in most cases a client's broker-dealer may also act as the custodian of the client's assets for little or no extra cost. Clients should be aware, however, of the differences between having their assets custodied at a broker-dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology. Redwood will only implement its investment management recommendations after the client has arranged for and furnished Redwood with all information and authorization regarding its accounts held at the designated qualified custodian. Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare the statements to any reports received by Redwood. Should there be a conflict between custodial statements and reports by Redwood, the custodial statement is the official statement. Redwood shall never serve as a qualified custodian of any client funds or securities, as that service will be provided by an independent third party custodian.

The second reason that Redwood is deemed to have custody pertains strictly to Redwood's Private Fund and is due to the fact that Redwood's Private Fund is an affiliate of Redwood Investment Management and Redwood Investment Management serves as the Managing Member to the Private Fund's General Partner, in addition to being the investment manager of the Private Fund. As outlined in Rule 206(4)-2 of the Investment Advisers Act of 1940, investment advisers that are deemed to have custody of client assets (other than through the ability to debit fees) are generally required to have an annual independent verification of those assets. The verification must be in the form of a surprise examination performed by an independent non-affiliated certified public accountant. However, an exception applies in the case of private investment funds, so long as the private fund is receiving annual audits of their financial statements performed by an independent public accountant, which is registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). In addition, the audited financial statements must be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and distributed to all investors within 120 days of the end of the private fund's fiscal year. The Private Fund also must receive an audit upon full liquidation and the audited financial statements must be distributed to all of a fund's investors promptly after the completion of such audit.

Currently, Redwood does not have annual surprise audits performed since the Private Fund will receive annual audits of its financial statements by a public accounting firm that is registered with and subject to regular inspection by PCAOB. Redwood will assist the Private Fund with the distribution of the audited financial statements to all its investors and ensure such distributions are made within the 120-day requirement. Should the Private Fund liquidate its pooled assets, Redwood will ensure the financial statements of the Private Fund are audited at that time and distributed to investors upon completion.

ITEM 16: INVESTMENT DISCRETION

A. Discretionary Authority; Limitations

With the exception of the TPA Model Portfolio arrangements, Redwood will have discretionary authority via a written investment management agreement to make the following determinations without obtaining the consent of the client before the transactions are effected:

1. The securities that are to be bought or sold;
2. The total amount of the securities to be bought or sold; and
3. The broker-dealer/custodian to be used and transaction fees paid: Redwood has selected the custodian based on reasonable transaction costs, industry reputation, and advanced technology.

Such discretion is to be exercised in a manner consistent with Redwood's strategies. In addition, Redwood's authority to trade securities may be limited in certain circumstances by applicable legal and regulatory requirements.

B. Limited Power of Attorney

By signing Redwood's investment management agreement, clients authorize Redwood to exercise limited discretionary authority with respect to all investment transactions involving the client's account. Pursuant to such agreement, Redwood is designated as the client's attorney-in-fact with discretionary authority to only effect investment transactions in the client's account.

ITEM 17: VOTING CLIENT SECURITIES

Redwood has a general policy of not voting proxies on behalf of clients for any securities held in a client's separately managed account including the affiliated Private Fund. However, as it pertains to the Redwood Mutual Fund and the Redwood VIT Fund, Redwood has been delegated proxy voting responsibility by the Board of Trustees for proxies solicited on the securities held in the Funds' portfolios, which is managed by Redwood. Redwood's general policy is to vote proxies received in a manner consistent with the best interests of the Funds. Redwood is required to present to the Board of Trustees, at least annually, the proxy voting policy and a record of each proxy voted by Redwood on behalf of the Redwood Mutual Fund and the Redwood VIT Fund, including a report on the resolution of all proxies identified by us as involving a conflict of interest.

Information regarding how proxies are voted relating to portfolio securities of the Redwood Mutual Fund and the Redwood VIT Fund is outlined in each Fund's prospectus and statement of additional information. For a copy of Redwood's Proxy Voting Policy please call the main number on the cover page of this Disclosure Brochure.

Proxy voting for plans governed by ERISA must conform to the plan document in effect. In cases where the investment manager is listed as the fiduciary responsible for voting proxies, the responsibility will be designated to another fiduciary and reflected in the plan document.

Redwood shall not be deemed to have proxy-voting authority solely as a result of providing advice or information about a particular proxy vote to a client, but clients may contact Redwood with any questions concerning a proxy solicitation.

ITEM 18: FINANCIAL INFORMATION

Redwood does not require or solicit prepayment of more than \$1,200.00 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. Redwood does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.

The Registrant's Chief Operating Officer and Chief Compliance Officer, Ryan R. Rouse, remains available to address any questions that a client or prospective client may have regarding the above arrangement.