



PORTFOLIO MANAGER

Mr. Decter is a Harvard trained economist, Senior Portfolio Manager and President and CEO of LDIC Inc. He is also the author of three financial books including 'Michael Decter's Million Dollar Strategy' (1998), 'The DRIP Strategy: Building Your Wealth One Share at a Time with Dividend Reinvestment Plans' (2001), and 'Ten Good Reasons To Invest in Canada' (2008).

LDIC Inc. provides financial services to high net worth individuals and currently has nearly \$465 million assets under management. Mr. Decter's primary focus is value investing. As the former Deputy Minister of Health for Ontario and Cabinet Secretary in the Government of Manitoba, Mr. Decter is a well-recognized speaker on broader political and economic issues. He was the founding former Chair of the Health Council of Canada and the former Chair of the Cancer Quality Council of Ontario. Mr. Decter continues to serve as the Chair of the Wait Times Data Certification Council of Ontario. In 2004, he was awarded the Order of Canada.

Manager Commentary

The Fund ended the quarter down 0.49% compared to our benchmark which was up 5.44%. The underperformance was two-fold: first, we were overweight the uranium sector and second, we had a large cash position of +30% for most of the quarter. Uranium stocks took a significant hit in the first quarter, following the Japanese earthquake. As a result, countries like China, the pillar of the nuclear renaissance, and Germany, put their projects on hold for review and some countries simply cancelled them.

We have positioned the portfolio going forward with a heavy weighting to energy, potash, coal and lumber small-cap stocks. We like international energy given the application of North American technology to prolific underexplored basins and significantly higher gas prices in Europe and South America. We like the outlook for potash as both North America and Asia inventories remain near historical lows. We believe coal prices will remain strong as supply from Australia continues to be constrained due to flooding shutting in approximately 4-5% of global coal supply. We have also recently become bullish on lumber prices as the Japanese rebuilding commences, China continues to import a significant amount of lumber and the US housing recovery takes hold sometime over the next 2 years according to analyst estimates. We have also increased our weighting to small cap income paying names such as Canfor Pulp and Extendicare to protect capital during a volatile and uncertain period.

INVESTMENT APPROACH

The Redwood Global Small Cap Fund's objective is to achieve long term capital growth by investing primarily in securities of small cap equity issuers in Canada and around the world.

HISTORICAL PERFORMANCE

Year	Q1	Q2	Q3	Q4	YTD	Benchmark *
2011	-0.49%				-0.49%	5.44%
2010	5.32%	-2.98%	23.00%	38.47%	74.05%	25.74%
2009	16.81%	29.20%	28.21%	29.36%	150.30%	53.41%
2008		-1.48%	-28.37%	-35.27%	-54.31%	-46.72%

*Benchmark is a blend which consists of 80% S&P/TSX Small Cap Index and 20% MSCI World Small Cap Index.

FUND PERFORMANCE

Comparative Analytics	Fund Series A	Fund Series F
Year To Date	-0.49%	-0.04%
1 Month	-6.74%	-6.55%
3 Months	-0.49%	-0.04%
6 Months	37.79%	35.99%
1 Year	64.44%	61.80%
Inception	29.25%	27.27%

POSITIONS & HOLDINGS

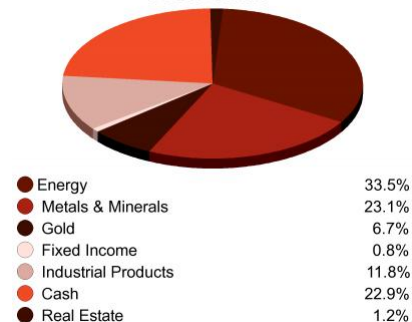
Top 10 Positions

As of March 31st, 2011

Xinergy Ltd.
 Madalena Ventures Inc.
 Amazon Mining
 Compass Petroleum
 Artek Exploration
 EastCoal Inc.
 3P International
 Ithaca Energy
 IC Potash Corp.
 Quetzal Energy

Total Positions: 55

Asset Mix





<i>Minimum Investment</i>	5,000	<i>Prime Broker</i>	RBC Dominion Securities
<i>Pricing</i>	Daily	<i>Auditor</i>	Collins Barrow Toronto LLP
<i>RRSP Eligible</i>	100%	<i>Legal Counsel</i>	Borden Ladner Gervais LLP
<i>Shorting Capabilities</i>	20%	<i>Administrator</i>	KeiData Back Office Solutions
<i>Leverage</i>	None		

How Much Does It Cost?

The following tables show the fees and expenses you could pay to buy, own and sell Series A and Series F units of the Fund.

Sales Charges

<i>Sales Charge Option</i>	<i>What You Pay</i>	<i>How It Works</i>
Initial Sales Charge	Up to 5% of the amount purchased	This rate is decided between the investor and the advisor. This sales charge is deducted from the amount purchased as a commission for the investment firm.

Trailing Commissions

The Fund pays a trailing commission for as long as the fund is owned for the services and advice provided by the investment firm. Investment firms may pay part of the trailing commission to their advisors. This commission of up to 1% of the value of each investment each year is paid out of the management fee

Ongoing Fund Expenses

These expenses are not paid directly, they are subtracted from the return received on an investment.

	<i>Management Fee</i>
Series A	2.25%
Series F	1.25%

Performance fee is 20% of return greater than the benchmark.

Other Fees

Investors may have to pay other fees when units of the Fund are sold or switched

<i>Short-Term Trading Fee</i>	Up to 5% of the value of the units sold or switched within 180 days of purchase This fee goes to the Fund
<i>Switch Fee</i>	An investment firm may charge up to 2% of the value of the units switched to another Redwood Fund

Risk

When you invest in a Fund, the value of your investment can go down as well as up. The Fund Manager has rated this Fund's risk as medium.

This Fund is for investors who:

The Fund is suitable for investors who have a moderate risk tolerance and a medium to long-term investment horizon.

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DISCLAIMER

This document is not to be construed as a public offering of securities in any jurisdiction in Canada and is subject to the more detailed information contained in the Fund's prospectus. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values may change frequently and past performance may not be repeated.