



# FUND FACTS

## Redwood Ark Energy Class (formerly Ark Aston Hill Energy Class)<sup>i</sup> - Series A November 15, 2011

This document contains key information you should know about the Redwood Ark Energy Class. You can find more detailed information in the fund's simplified prospectus. Ask your advisor for a copy, contact Redwood Asset Management Inc. at 1-877-313-7011 or [invest@redwoodasset.com](mailto:invest@redwoodasset.com), or visit [www.redwoodasset.com](http://www.redwoodasset.com).

### Quick Facts

<b>Date fund created:</b>	January 16, 2008
<b>Total value on October 24, 2011</b>	\$ 3,686,457
<b>Management expense ratio (MER):</b>	4.64%

<b>Portfolio Manager:</b>	Aston Hill Investments Inc.
<b>Minimum Investment:</b>	\$5000 initial, \$500 Additional

### What does the fund invest in?

The fund seeks to achieve long-term capital growth. The fund invests primarily in equity and equity related securities of companies that are involved directly or indirectly in the exploration, development, production and distribution of oil, gas, coal, uranium and other related activities in the energy and resource sector. The fund's maximum exposure to investments in foreign markets is 25%. The charts below give you a snapshot of the fund's investments on October 24, 2011. The fund's investments will change.

### Top 10 investments (October 24, 2011)

1. IROC Energy Services
2. Crocotta Energy
3. Painted Pony Petroleum
4. Fairborne Energy
5. Manitok Energy
6. Delphi Energy Corp.
7. CanAm Coal Corp.
8. Angle Energy Inc.
9. Touchstone Energy
10. Twin Butte Energy

**Total investments** 30

The top 10 investments make up 51.77% of the fund.

As at October 24, 2011, the Top 10 investments of the fund are long only.

### How has the fund performed?

This section tells you how the fund has performed over the past two full years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

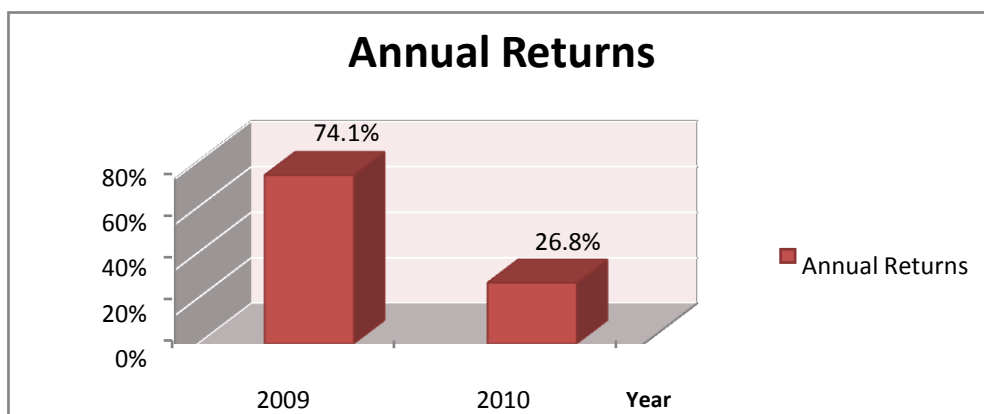
It's important to note that this doesn't tell you how the fund will perform in the future. Also, your actual after-tax return will depend on your personal tax situation and any other fees you pay.

### Average return

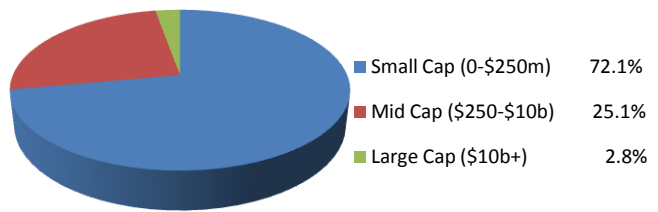
As at October 24, 2011, a person who invested \$1,000 in this series of the fund since its inception now has \$739. This works out to an annual compound return of -7.7%.

### Year-by-year returns

This chart shows how the fund has performed in each of the past two full years since inception.



### Investment Mix (October 24, 2011)





**How risky is it?**

When you invest in a fund, the value of your investment can go down as well as up. Redwood Asset Management has rated this fund's risk as high.

For a description of the specific risks of this fund, see the fund's simplified prospectus.



**Are there any guarantees?**

Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

**Who is this fund for?**

The fund is suitable for investors seeking long-term capital growth with a high tolerance for risk and volatility. Investors should be comfortable with high risk investments and have a long-term investment horizon.

**Before you invest in any fund, you should consider how it would work with your other investments and your tolerance for risk.**

**A word about tax**

In general, you'll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

**How much does it cost?**

The following tables show the fees and expenses you could pay to buy, own and sell Series A units of the fund. The fund does have other series and the fees and expenses are different for each such series. Investors should ask about other series of the fund that may be suitable for them.

**1. Sales Charges**

The sales charge applicable to this series of the fund is described in the table below.

Sales Charge	What You Pay		How It Works
	in per cent (%)	in dollars (\$)	
Initial Sales Charge	0% to 5% of the amount you buy	\$0 to \$50 on every \$1,000 you buy	The 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.

**2. Fund Expenses**

You don't pay these expenses directly. They affect you because they reduce the fund's returns.

As of June 30, 2011, the fund's expenses were 4.95% of its value. This equals \$49.50 for every \$1,000 invested.

	Annual rate (as a % of the fund's value)
<b>Management Expense Ratio (MER)</b>	
This is the total of the fund's management fee and operating expenses.	4.64%
<b>Trading Expense Ratio (TER)</b>	
These are the fund's trading costs.	0.31%
<b>Fund Expenses</b>	<b>4.95%</b>



### **Trailing Commission**

Redwood Asset Management Inc. may pay your investment dealer a trailing commission of up to 1.0% of the value of your investment each year for as long as you own the fund. The trailing commission is paid out of the management fee and is for the services and advice your dealer provides to you. A trailing commission of 1.0% equals \$10 each year for every \$1,000 invested.

### **Incentive Fee**

The fund will pay us annually an incentive, subject to all applicable taxes, equal to a percent of the daily net asset value of the fund. Such percentage will be equal to 10% of the difference by which the return in the net asset value per unit of the fund from January 1 to December 31 exceeds the percentage return of the S&P/TSX Capped Energy Total Return Index (or any successor index to such index), for the same period. If the performance of Series A of the fund in any year is less than the performance of the index described above (the "Deficiency"), then no incentive fee will be payable in any subsequent year until the performance of the Series A of the fund, on a cumulative basis calculated from the first of such subsequent years, has exceeded the amount of the Deficiency. We may reduce the incentive fee payable by a fund with respect to a particular investor at our discretion. Investors who are entitled to the benefit of a lower incentive fee may receive a fee rebate from the fund so that those investors receive the benefit of the lower incentive fee.

### **3. Other Fees**

You may have to pay other fees when you sell or switch units of the fund.

<b>Fee</b>	<b>What you pay</b>
Short-term trading fee	We will impose a short-term trading fee payable by the unitholder of up to 3% of the aggregate net asset value of the units sold or switched within 90 days of purchase. A short-term trading fee will not be charged for a redemption of units acquired (i) through automatic reinvestment of all distributions by the fund; (ii) through the exercise of statutory redemption rights; (iii) as a result of switching between Redwood mutual funds; or (iv) in the absolute discretion of Redwood Asset Management Inc. Short-term trading fees will also not be payable on securities of a fund issued to a limited partnership or distributed to the limited partners of such partnership on a mutual fund rollover transaction. This fee goes to the fund.
Switch fee	A dealer may charge up to 5% of the value of the units switched to another Redwood fund.

### **What if I change my mind?**

Under securities law in some provinces and territories, you have the right to:

- ~withdraw from an agreement to buy mutual fund units within two business days after you receive a simplified prospectus, or
- ~cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

### **For more information**

Contact Redwood Asset Management Inc. or your advisor for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents.

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<sup>i</sup> Fund name changed from Ark Aston Hill Energy Class to Redwood Ark Energy Class November 15, 2011