

Ark Aston Hill Energy Class

Management Report of Fund Performance

June 30, 2011

This semi annual management report of fund performance is an analysis and explanation that is intended to complement Redwood Asset Management Inc. mutual fund financial statements. The report contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-877-313-7011, by visiting our website at www.redwoodfunds.ca or SEDAR at www.sedar.com or by writing to us at: Redwood Asset Management Inc., 120 Adelaide Street West, Suite 2400, P.O. Box 23, Toronto, Ontario M5H 1T1. Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting record or quarterly portfolio disclosure.

Investment Objective and Strategies

The Ark Aston Hill Energy Class seeks to achieve long-term capital growth through its investment 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 Canadian energy and resource sector.

The Fund may follow a more concentrated investment approach and from time to time overweight certain sub-sectors within the energy and resource sector, when deemed appropriate by the Portfolio Adviser. This may result in the Fund's portfolio weightings being substantially different from the weighting of the S&P/TSX Capped Energy Total Return Index. The Fund may be subject to pronounced cycles and widely varying conditions in the equity markets.

The Fund also may:

- Invest in and overweight cash and fixed-income securities based on the market outlook for the energy sector;
- Invest in underlying mutual fund securities; and
- Use warrants and derivatives such as options, forward contracts and swaps for hedging and non-hedging purposes as permitted by Canadian securities regulations.

Risk

The risks of investing in the Fund remain as described in the prospectus. There were no material changes to the Fund over the financial year that affected the overall level of risk. 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.

Results of Operations

The economic optimism that carried through Q1 has faded and we have seen a corresponding rotation out of risk into defensive equities. With the 3rd largest economy back in recession, persistently high oil prices, and escalating problems with European banks the transition from a stimulus driven economy to self-sustaining growth will not be smooth. Growth in the second half of 2011 will likely be slower but should find support from Japan's rebuilding process, continued US capex spending, and positive albeit more muted growth in China. The main concern is Europe, but Europe has never been a dynamic grower and a Greek default is already highly anticipated by the markets.

The global economic deceleration has raised concern over decreasing demand for energy but even though current fundamentals in the sector may not be quite as favourable, they are by no means negative. Global oil demand remains robust with the IEA increasing their global oil demand forecast in July to 89.5 mb/d from their forecast of 89.1 mb/d in the January Oil Market Report. With Libyan supply likely offline for some time due to infrastructure damage, and non-OPEC supply growth now at half of 2010 levels the call on OPEC, and therefore remaining spare capacity, increases. Continued strong domestic gas production offset increased demand from industrial and electric power generation but with higher than normal temperatures in North America, natural gas prices managed to stay flat over the weaker quarter. The gas rig count in the US and Canada continues to fall as "hold by production" drilling slows and uneconomic dry gas plays are replaced with liquids rich and/or oil prospects. The outlook for natural gas prices for the remainder of the year are not as attractive as for oil prices, however the situation is improving.

At the end of the second quarter, the portfolio was equally weighted between oil and gas producers which has been a shift from the overweight gas position (58%) at the end of 2010. The shift is partially due to the sale of 2 gas weighted positions in the quarter and partially the result of the changing internal production mix for the junior sector from natural gas to oil. Advantage was sold as it hit a new post-recession high and Ember resources was taken over in June. The fund added a new position in IROC Energy services and Touchstone Exploration. The portfolio remains at 20% services as the shift to the more service intense oil plays grows deeper roots and completions become more complicated, the service companies will continue to enjoy healthy demand and improving margins.

Related- Party Transactions

Management Fee

The Fund pays management fees at an annual rate of up to 2.50% of average net assets of Series A and up to 1.50% of Series F. This fee relates to the portfolio advisory services the Fund received during the year. The management fee is calculated and accrued daily based on the average net asset value of that Series of unites of the Fund and is paid on the last day of each month.

As of June 30, 2011, the management related parties, of Redwood Asset Management Inc. held 1,889.9650 units of Ark Aston Hill Energy Class Fund. The related parties are the Manager, the shareholders and individuals related to Redwood Asset Management Inc.

Financial Highlights (unaudited)

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2011. Per share data is derived from the Fund's financial statements. The net assets per share presented in the financial statement differs from the net asset value per share used in calculating purchase and redemption prices for the fund, due to differences in valuation techniques of certain investments.

Ratio and supplemental data is derived from the Fund's net asset value.

The Fund's Net Assets per Share (\$) ⁽¹⁾

SERIES A

	2011	2010	2009 ⁽⁴⁾
Net Assets, beginning of period	\$ 9.30	\$ 7.38	\$ 4.19

Increase (decrease) from operations:

Total revenue	0.02	0.07	0.09
Total expenses	(0.23)	(0.40)	(0.22)
Realized losses for the period	(0.03)	0.44	(1.73)
Unrealized losses for the period	0.15	1.88	5.20
Total increase (decrease) from operations ⁽²⁾	\$ (0.09)	\$ 1.99	\$ 3.35

Distributions:

From income (excluding dividends)	0	(0.07)	(0.02)
From dividends	0	0	0
From capital gains	0	0	0
Return of capital	0	0	0

Total Annual Distributions ⁽³⁾

	0	(0.07)	(0.02)
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Net Assets, end of period

	\$ 9.21	\$ 9.30	\$ 7.38
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SERIES F

	2011	2010	2009 ⁽⁴⁾
Net Assets, beginning of period	\$ 9.30	\$ 7.29	\$ 4.10

Increase (decrease) from operations:

Total revenue	0.02	0.07	0.11
Total expenses	(0.18)	(0.30)	(0.18)
Realized losses for the period	(0.03)	0.41	(2.10)
Unrealized losses for the period	0.14	1.91	5.50
Total increase (decrease) from operations ⁽²⁾	\$ (0.05)	\$ 2.08	\$ 3.33

Distributions:

From income (excluding dividends)	0	(0.07)	(0.02)
From dividends	0	0	0
From capital gains	0	0	0
Return of capital	0	0	0

Total Annual Distributions ⁽³⁾

	0	(0.07)	(0.02)
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Net Assets, end of period

	\$ 9.25	\$ 9.30	\$ 7.29
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⁽¹⁾ This information is derived from the Fund's audited annual financial statements. The net assets per share presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash/reinvested in additional units of the Fund, or both.

⁽⁴⁾ This Fund was started January 16, 2008.

Ratios and Supplemental Data (unaudited)

SERIES A	2011	2010	2009 ⁽⁶⁾
Total net asset value (\$) ⁽¹⁾	4,096,094	4,066,805	8,897,871
Number of units outstanding ⁽¹⁾	444,984	437,299	1,205,089
Management expense ratio ⁽²⁾	4.64%	4.93%	3.13% ⁽⁵⁾
Management expense ratio before waivers or absorption	4.64%	4.93%	3.14% ⁽⁵⁾
Trading expense ratio ⁽³⁾	0.31%	0.67%	0.68% ⁽⁵⁾
Portfolio turnover rate ⁽⁴⁾	43.98%	110.46%	48.53%
Net asset value per unit (\$)	9.21	9.30	7.38

SERIES F	2011	2010	2009 ⁽⁶⁾
Total net asset value (\$) ⁽¹⁾	857,813	955,365	1,959,087
Number of units outstanding ⁽¹⁾	92,692	102,711	268,839
Management expense ratio ⁽²⁾	3.46%	3.73%	1.04% ⁽⁵⁾
Management expense ratio before waivers or absorption	3.46%	3.73%	1.04% ⁽⁵⁾
Trading expense ratio ⁽³⁾	0.31%	0.67%	0.68% ⁽⁵⁾
Portfolio turnover rate ⁽⁴⁾	43.98%	110.46%	48.53%
Net asset value per unit (\$)	9.25	9.30	7.29

⁽¹⁾ The information is provided as at June 30 of the period shown.

⁽²⁾ Management expense ratio is based on total expenses (excluding broker commission and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

⁽⁵⁾ Percentages are annualized.

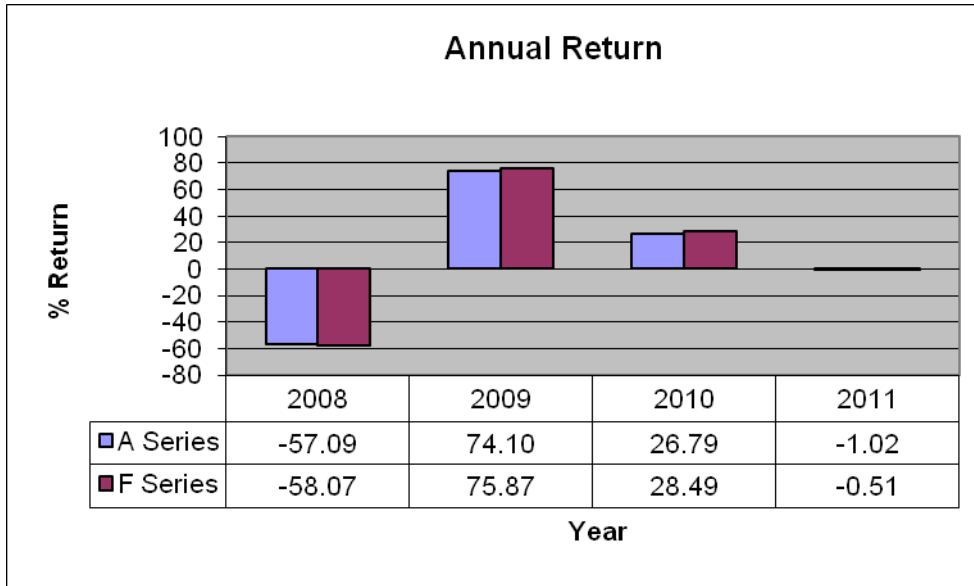
⁽⁶⁾ This Fund was started January 16, 2008.

Past Performance

The indicated rates of return are the historical total returns including changes in unit values and assume reinvestment of all distributions in additional units of the relevant Series of the Fund. These returns do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that may reduce returns. Please note that past performance is not indicative of future performance.

Year-by-Year Returns

The following chart indicates the performance of each Series of the fund as of the inception date of January 16, 2008. The chart shows how much an investment made at the Fund's inception would have increased/decreased, in percentage terms, by the last day of each financial year.



2011 figures till June 30, 2011 only

Quarterly Portfolio Disclosure

As of June 30, 2011

Summary of Investment Portfolio

Sector Allocation

Energy	94.19%
Materials	3.48%
Utilities	2.81%
Other Net Liabilities	-1.26%

Total Net Asset Value*

\$4,992,714.07

(*based on the net asset value used for fund pricing purposes)

Top 25 Holdings

Issuer	% of Net Assets
1. Crocotta Energy	6.12
2. Fairborne Energy	5.04
3. Angle Energy Inc.	5.02
4. Painted Pony Petroleum Ltd.	5.02
5. IROC Energy Services Corp	5.00
6. Touchstone Exploration Inc.	4.27
7. Twin Butte Energy Ltd.	4.04
8. Palliser Oil & Gas Corp.	3.88
9. Forbes Energy Services Ltd.	3.80
10. CanAm Coal Corp.	3.58
11. Delphi Energy Corp.	3.49
12. Argosy Energy Inc.	3.32
13. Manitok Energy	3.20
14. Total Energy Services	2.96
15. WestFire Energy	2.88
16. Tesla Exploration	2.85
17. Pace Oil & Gas	2.83
18. EnCana Corporation	2.83
19. Arsenal Energy	2.65
20. Midway Energy Ltd.	2.64
21. Enseco Energy Services Corp.	2.51
22. Essential Energy Services Ltd.	2.43
23. Seaview CL A	2.38
24. Forent Energy Ltd.	2.27
25. Anderson Energy Ltd.	2.23

The Top 25 positions listed above consist of long positions only.

Percentage of Long Positions

100%

Total Net Asset Value

Total Net Asset Value of the Fund as at the end of June 30, 2011 was \$4,992,714.

*The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund. The top 25 holdings are made available 60 days after the quarter-end, except for December 31, which is the fiscal year-end for the fund, when they are available after 90 days.

Corporate Information

Corporate Address

Redwood Asset Management Inc.
120 Adelaide West, Suite 2400, P.O Box 23
Toronto, Ontario M5H 1T1
T 416.304.6800
Toll-Free 1-877-313-7011
F 416.304.6832
E redwoodasset.com

For additional information visit our website:

www.redwoodfunds.ca

Auditors

Deloitte & Touche LLP
Brookfield Place
181 Bay Street
Suite 1400
Toronto, Ontario M5J 2V1

Legal Counsel

Fasken & Martineau LLP
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, Ontario M5H 2T6