

Trapeze Value 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.redwoodasset.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.

Management Discussion of Fund Performance

Results of Operations

After recording significant gains in 2010, the equity markets dealt with an excess of global events and negative economic news during the first half of 2011, resulting in the Canadian market (S&P/TSX Composite Index) and the U.S. market (S&P 500 Index) recording modest gains as at June 30, 2011 of 0.2% and 2.8% (in Canadian dollars), respectively.

Over the same period, the portfolio declined by -8.68%, lagging the index.

The Fund has been fully invested in a combination of large cap U.S. equities and smaller cap Canadian stocks, with the market prices of the Fund's holdings at significant discounts to the portfolio manager's appraised values.

The portfolio manager believes that stocks are an attractive asset class relative to bonds and cash, with corporate earnings healthy and recent economic and monetary policies driving growth and modest inflation.

Striving to ensure the portfolio manager's bottom-up security selections coincide with its macro top-down views, the Fund has emphasized oil and gas shares. Demand for oil has been at record highs with global production levels having a hard time keeping pace, which should drive energy prices higher over the next few years. A similar outcome may be in store for natural gas prices as the higher inventory levels are worked off and demand for natural gas, which is the favoured clean energy solution, could far outstrip supply.

Investment Objective and Strategies

The objective of the Trapeze Value Class is to outperform the broad Canadian equity market as measured by the S&P/TSX Composite Total Return Index, over a time period longer than 5 years, providing long-term capital appreciation and value by investing primarily in small-to-large capitalization stocks of Canadian issuers. To assist in achieving this objective the Fund may focus its assets in specific industry sectors and asset classes based on analysis of business cycles, industry sectors and market outlook. The Fund has the ability to take positions in equities (including securities of income trusts), fixed-income securities, convertible securities, mutual funds and cash.

The Fund may use specified derivatives, such as options, futures, forward contracts, swaps and other similar investments for hedging and non-hedging purposes as permitted by Canadian securities regulations.

The Fund's investment positions could include:

- Undervalued securities
- Steady growth companies
- Event driven opportunities
- Underfollowed/misunderstood securities/situations
- Theme oriented companies

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 units of the Fund and is paid on the last day of each month.

Trapeze Value Class (formerly Ark Aston Hill Opportunities Class)

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 year 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⁾

	2011	2010	2009 ⁽⁴⁾
SERIES A			
Net Assets, beginning of period	\$ 11.02	\$ 9.44	\$ 6.52
Increase (decrease) from operations:			
Total revenue	0.03	0.15	0.43
Total expenses	(0.16)	(1.50)	(0.53)
Realized gains/losses for the period	0.30	2.79	(1.81)
Unrealized gain/losses for the period	(1.13)	(0.92)	4.58
Total increase (decrease) from operations ⁽²⁾	\$ (0.96)	\$ 0.52	\$ 2.67
Distributions:			
From income (excluding dividends)	-	-	-
From dividends	-	(0.04)	(0.14)
From capital gains	-	-	-
Return of capital	-	-	-
Total Annual Distributions ⁽³⁾	-	(0.04)	(0.14)
Net Assets, end of period	\$ 10.06	\$ 11.02	\$ 9.44
SERIES F			
Net Assets, beginning of period	\$ 13.13	\$ 9.61	\$ 6.57
Increase (decrease) from operations:			
Total revenue	0.05	0.18	0.48
Total expenses	(0.35)	(0.43)	(0.50)
Realized gains/losses for the period	0.42	3.25	(2.03)
Unrealized gain/losses for the period	(1.06)	(1.07)	5.14
Total increase (decrease) from operations ⁽²⁾	\$ (0.94)	\$ 1.92	\$ 3.09
Distributions:			
From income (excluding dividends)	-	-	-
From dividends	-	(0.04)	(0.14)
From capital gains	-	-	-
Return of capital	-	-	-
Total Annual Distributions ⁽³⁾	-	(0.04)	(0.14)
Net Assets, end of period	\$ 12.19	\$ 13.13	\$ 9.61

⁽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⁾	226,830	333,265	433,898
Number of units outstanding ⁽¹⁾	22,539	30,240	45,958
Management expense ratio ⁽²⁾	3.40%	3.07%	7.47% ⁽⁵⁾
Management expense ratio before waivers or absorption	3.40%	17.52%	7.49% ⁽⁵⁾
Trading expense ratio ⁽³⁾	96.00%	1.67%	1.01% ⁽⁵⁾
Portfolio turnover rate ⁽⁴⁾	122.25%	210.87%	158.12%
Net asset value per unit (\$)	10.06	11.02	9.44

SERIES F	2011	2010	2009 ⁽⁶⁾
Total net asset value (\$) ⁽¹⁾	40,153	43,070	38,784
Number of units outstanding ⁽¹⁾	3,293	3,281	4,034
Management expense ratio ⁽²⁾	2.36%	3.98%	1.57% ⁽⁵⁾
Management expense ratio before waivers or absorption	2.36%	18.27%	1.58% ⁽⁵⁾
Trading expense ratio ⁽³⁾	96.00%	1.67%	1.01% ⁽⁵⁾
Portfolio turnover rate ⁽⁴⁾	122.25%	210.87%	158.12%
Net asset value per unit (\$)	12.19	13.13	9.61

⁽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. The Fund portfolio was established on January 16, 2008. The unaudited Management Expense Ratio for the stated period is artificially high due to the initial low level of assets and the lag in time between the establishment of the Fund and the marketing of the Fund. Fund MERs are expected to be in line with industry peers both on a run rate basis and for the full year.

⁽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.

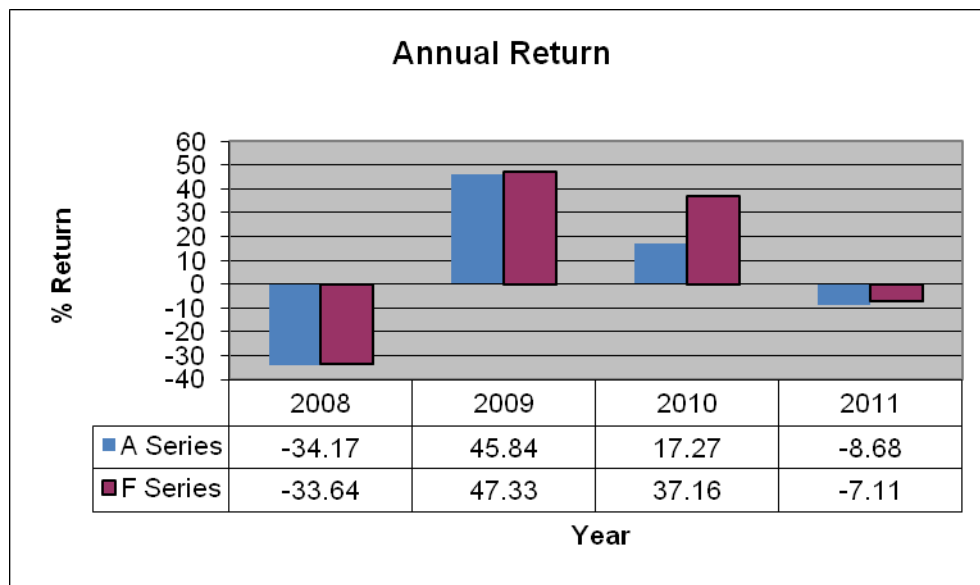
⁽⁶⁾ This Fund was started January 16, 2008.

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 21, 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.



Summary of Investment Portfolio (Period ended June 30, 2011)

Asset Mix

Subgroups	% of Net Asset Value
Fixed Income	4.09%
Materials	6.62%
Energy	28.23%
Healthcare	6.03%
Consumer Discretionary	16.43%
Utilities	4.59%
Financials	3.88%
Information Technology	17.34%
Cash & Other Net Assets	12.05%

Top 21 Positions*

	Security Name	% of Net Assets
1	Dell Inc.	8.96
2	Manitok Energy	8.15
3	Corridor Resources	7.15
4	Xcite Energy Ltd	5.58
5	Target Corporation	5.38
6	Fortress Paper	4.80
7	Orca Exploration	4.59
8	Microsoft Corp.	4.47
9	The Kroger Co.	4.22
10	Pivot Acquisition	4.09
11	Porto Energy Co.	4.04
12	Southern Pacific Resource Corp	3.98
13	Hewlett-Packard Co.	3.91
14	Berkshire Hathaway Inc.	3.88
15	Johnson & Johnson	3.82
16	Wal-Mart Stores	2.86
17	Best Buy Co. Inc.	2.25
18	UnitedHealth Group Inc.	2.22
19	Cline Mining Corp.	1.87
20	General Motors	0.73
21	General Motors (bond)	0.13

The top 21 positions listed above consist of long position 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 \$268,978.

*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

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