

REDWOOD DIVERSIFIED INCOME FUND

Quarterly Summary of Investment Portfolio

(As at September 30, 2011)

Asset Class Breakdown (% of Net Assets)

Fixed Income	7.33
Equities	90.95
Total Investments	98.28
Cash & Cash Equivalents	2.86
Other Assets less Liabilities	-1.14
	100.00

Sector Allocation (% of Net Assets)

Fixed Income	7.33
Energy	12.92
Industrial	15.34
Real Estate & Construction	25.02
Utilities	15.93
Pipelines	14.23
Consumer	4.64
Metals & Mining	2.87
Total Investments	98.28
Cash & Cash Equivalents	2.86
Other Assets less Liabilities	-1.14
	100.00

Geographic Allocation (% of Net Assets)

Canada	97.38
United States	0.90
Cash & Cash Equivalents	2.86
Other Assets less Liabilities	-1.14
	100.00

Top 25 Investments

	Security Name	% of Net Assets
1.	Cineplex Inc.	4.64
2.	Provident Energy Ltd.	4.63
3.	Inter Pipeline Fund	4.57

4.	Brookfield Renewable Power Fund	4.50
5.	Canexus Corporation	3.96
6.	Russel Metals (bond)	3.77
7.	Calloway REIT	3.58
8.	H&R REIT	3.57
9.	Primaris Retail REIT	3.57
10.	Algonquin Power & Utilities Corp.	3.52
11.	Dundee International REIT	3.44
12.	Crescent Point Energy Trust	3.43
13.	Enerplus Corporation	3.28
14.	Chemtrade Logistics Income Fund	3.27
15.	MI Developments	3.20
16.	Husky Energy Inc.	3.16
17.	Noranda Income Fund	3.11
18.	Pure Industrial Real Estate Trust	3.10
19.	Veresen Inc.	3.08
20.	Baytex Energy Corp.	3.05
21.	Labrador Iron Ore Royalty Corp.	2.87
22.	Cash & Cash Equivalents	2.86
23.	Chorus Aviation	2.76
24.	Just Energy Group	2.54
25.	Allied Properties REIT	2.42

The Top 25 Investments make up 85.89% of the Fund.

As at September 30, 2011, the Top 25 Investments of the Fund are long only.

As at September 30, 2011, 100% of the investments in the Fund, except cash and cash equivalents, are dividend paying investments.

Total Net Asset Value

Total Net Asset Value of the Fund as at September 30, 2011 was \$28,749,545. The Net Asset Value for each of Series A and F was \$22,419,569 and \$6,329,976 respectively.

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available. For more information please call 1-877-313-7011 or visit our website at www.redwoodasset.com.