

RWMIX (Class I)  
RWMNX (Class N)

# Redwood Managed Municipal Income Fund

## Objective

The Redwood Managed Municipal Income Fund seeks to generate tax-efficient income, while focusing on managing downside risk.

## Strategy

The Redwood Managed Municipal Income Fund seeks to identify critical turning points in the markets for high yield municipal bonds. The Fund utilizes a quantitatively driven process that seeks to be risk-on when high-yield municipals are trending upwards, and risk-off when high-yield municipals are trending downwards.

- Utilizes a tactical risk-management strategy to pursue objective
- Seeks to reduce exposure to declines, thereby seeking to limit downside volatility and loss in down trending markets

## Fund Facts

### Portfolio Managers

Michael Messinger  
Michael Cheung

### Category

Non-Traditional Fixed-Income

**Inception Date: March 9, 2017**

## Definitions

**Risk On:** The period of time where the Muni High Yield Index is above the 200-day moving average. A trend-following strategy would buy the asset class in a risk on state.

**Risk Off:** The period of time where the Muni High Yield Index is below the 200-day moving average. A trend-following strategy would sell the asset class in a risk off state.

## Important Risk Information & Disclosures

Mutual Funds involve risk including the possible loss of principal. There is no assurance the Fund will meet its stated objectives. The above index performance is not intended to serve as a proxy for the Fund's future or past performance. Past performance is not a guarantee of future results. The investment strategies employed by the Adviser in selecting investments for the Fund may not result in an increase in the value of your investment or in overall performance equal to other similar investment vehicles having similar investment strategies. The quantitative model used by the Adviser may not perform as expected, particularly in volatile markets. The Fund's tactical asset allocations strategy may be unsuccessful and may cause the Fund to miss attractive investment opportunities while in a defensive position.

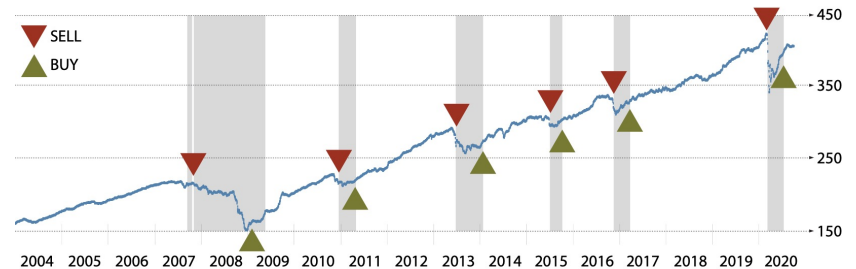
Bloomberg Barclays Muni High Yield Total Return Index measures the USD-denominated, municipal high yield bond market. Bloomberg Barclays Municipal Bond Index measures the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The indices shown are for informational purposes only and are not reflective of any investment. As it is not possible to invest in the indices, the data shown does not reflect or compare features of an actual investment, such as its objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, or tax features.

**Investors should carefully consider the investment objectives, risks, charges and expenses of the Redwood Managed Municipal Income Fund. This and other important information about the Fund are contained in the prospectus, which can be obtained at [redwoodmutualfunds.com](http://redwoodmutualfunds.com) or by calling 855-RED-FUND (733-3863). The prospectus should be read carefully before investing. The Redwood Managed Municipal Income Fund is distributed by Northern Lights Distributors, LLC member FINRA/SIPC.**

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Redwood Investment Management | 4110 N. Scottsdale Rd. Ste 125, Scottsdale, AZ 85251 | 480.470.7040 | [redwoodim.com](http://redwoodim.com)

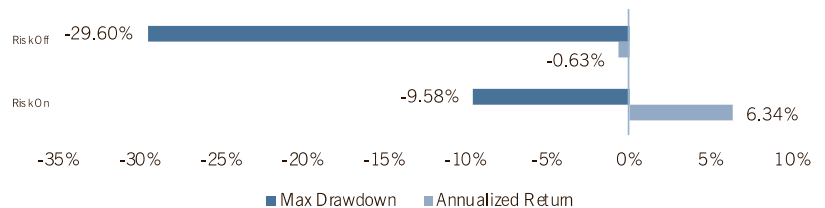
## U.S. High Yield Municipals Trend Signals Over Time



The above stylized example depicts trading signals to a tactical strategy on the Municipal High Yield bond market. The strategy uses crosses above and below the included index's 200-day moving average to create buy and sell signals. Several signals are omitted to improve readability. The Fund does not use the 200-day moving average in its strategy, but employs a similar trend following approach.

Sources: Bloomberg, Redwood. The above does not represent any trading or performance of the Fund and is for illustration purposes only.

## Annualized Return and Risk of U.S. High Yield Municipals



The above results depict returns and risk of the untradeable Barclays Muni High Yield Total Return Index while Risk Off (when the index is below its 200-day moving average) and Risk On (when the index is above its 200-day moving average). The Fund does not use the 200-day moving average in its strategy, but employs a similar trend-following approach.

Sources: Bloomberg, Redwood. The above does not represent any trading or performance of the Fund and is for illustration purposes only. Data: Jan 2000 – 9/31/2020

## High Yield Municipals vs Investment Grade Municipals

	Bloomberg Barclays Muni High Yield Total Return Index	Bloomberg Barclays Municipal Bond Index
Yield To Worst	4.54%	1.32%
Pre-Tax Equivalent*	7.21%	2.09%
Option-Adjusted Duration	9.02	5.44
Years to Maturity	20.79	12.98

Sources: Bloomberg, Redwood. The above does not represent any trading or performance of the Fund and is for illustration purposes only. \*Pretax equivalent assumes a 37% Federal Tax Rate. Data: As of 9/30/2020