

ASPIRATION FUND ADVISER, LLC

FORM ADV PART 2A – DISCLOSURE BROCHURE

JULY 13, 2017

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This brochure provides information about the qualifications and business practices of Aspiration Fund Adviser, LLC (the "firm," "we" or "us"). If you have any questions about the contents of this brochure, please contact us at 424.228.8800. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about us also is available on the SEC's website at www.adviserinfo.sec.gov.

The firm is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training.

Item 2: Material Changes

Aspiration has made no material changes to this brochure since the last annual update on March 30, 2016.

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Item 4 – Advisory Business

The Firm: The firm was founded on October 31, 2013 and is headquartered Marina del Rey, California. It is a privately held limited liability company, and its sole owner is Aspiration Partners, Inc. Andrei Hugo Cherny and Joseph Neal Sanberg are the principal owners of Aspiration Partners, Inc., either directly or indirectly through other entities.

We have delegated certain advisory duties to sub-advisers (the “Sub-Advisers”). Sub-Advisers are selected based on an evaluation of their skills and investment results in managing assets for specific asset classes, investment styles, and strategies. Although Aspiration has delegated responsibility for day-to-day portfolio management (including authority over security-level decisions) to various Sub-Advisers, Aspiration will monitor such Sub-Advisers’ performance with respect to their management of client assets and retain the authority to engage or terminate each such Sub-Adviser. Any decision to engage or terminate a particular Sub-Adviser will be based upon continued suitability and performance of the Sub-Adviser in relation to its management of client assets.

Information regarding the services and strategies provided by Sub-Advisers is set forth below. A more detailed description of the specific services available from each Sub-Adviser can be found in the specific Sub-Adviser’s current Form ADV Part 2A. Clients are encouraged to carefully review each Sub-Adviser’s Form ADV Part 2A disclosure brochure for service level, fee, conflict and professional background information applicable to each Sub-Adviser.

Aspiration has entered into sub-advisory agreements with Emerald Separate Account Management, LLC (“Emerald”) for the Aspiration Flagship Fund, and UBS Asset Management (Americas), Inc. (“UBS”) for the Aspiration Redwood Fund. UBS Asset Management (Americas) Inc., a Delaware corporation, is a member of the UBS Asset Management business division of UBS Group AG, a publicly traded Swiss bank (NYSE: UBS). UBS Asset Management (Americas) is an indirect wholly owned subsidiary of UBS Group AG and is registered as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended (“Advisers Act”).

Emerald provides equity and fixed-income portfolio management services to institutional investors and to individual investors via separate account management.

Mr. Joseph Besecker, President of Emerald Asset Management, Inc., the parent of the Sub-Adviser, holds less than 5% of the outstanding non-voting B units of Aspiration Partners, Inc. Please see Item 10 for more information regarding the affiliation of Aspiration and the Sub-Adviser.

Aspiration Partners, Inc., the parent company to Aspiration Fund Adviser, LLC is the sole member of the Aspiration Foundation, a 501(c)3 organization.

Our Advisory Services: We serve as investment adviser to Aspiration Flagship Fund (the "Flagship Fund") and Aspiration Redwood Fund (the "Redwood Fund" and, collectively with the Flagship Fund, the "Funds"). Each a series of Aspiration Funds, a Delaware statutory trust (the "Trust"). Item 8 of this brochure provides more information about the Funds' investment strategy. We also serve as investment adviser to individuals. However, with respect to individuals, our advice is limited to advising such clients to invest in the Funds. In fact, individuals must establish an advisory relationship with us before they may invest in the Funds.

Tailoring Our Services: Our advice is tailored to meet the investment objectives and restrictions of the Funds, described in detail in the Funds' registration statement. In addition, we have delegated certain advisory duties to Sub-Advisers. We provide proactive oversight of each Sub-Adviser, daily monitoring of the Sub-Advisers' purchase and sale of portfolio securities for the Funds and regular review of the Sub-Advisers' performance.

Because our advice to individuals is limited to advising them to invest in the Funds, our individual clients may not impose restrictions relating to investing in securities or certain types of securities.

Wrap Fee Programs: We do not participate in wrap fee programs.

Assets Under Management: As of March 31, 2017, Aspiration clients have \$153,000,000 of discretionary assets on the Aspiration platform including Aspiration checking, investment, and retirement accounts. While we will retain discretionary responsibility for the management of the assets of the Funds, we have delegated such responsibility to the Sub-Advisers. Aspiration does not manage any assets on a non-discretionary basis.

Item 5 – Fees and Compensation

The Funds: We do not charge a fee to manage the Funds. However, each Sub-Adviser is entitled to receive an annual sub-advisory fee, paid by the Adviser – not the Fund – for advisory services provided to the each Fund, according to a formula. In addition, the Adviser and Sub-Advisers each donate 10% of their respective fees to charity. The Adviser will donate 10% of its fees after deducting the sub-advisory fee paid to the Sub-Adviser is deducted and the Sub-Adviser will donate 10% of its fees after receiving its fee from the Adviser.

The fees paid to other service providers by each Fund (e.g., custody, administration, transfer agent, accounting, legal, etc.), are described in detail in the registration statement and/or financial filings of the Funds. Those fees are accrued and deducted directly from the applicable Fund on a daily basis.

We have contractually agreed to reimburse each Fund's expenses to the extent necessary to limit the total annual fund operating expenses (exclusive of organizational

expenses, brokerage costs, interest, taxes, litigation and indemnification expenses, expenses associated with investments in underlying investment companies and extraordinary expenses) to 0.50% of the Funds' average daily net assets. To the extent a Fund incurs expenses in excess of 0.50% due to excluded expenses, the expense ratio will be higher than 0.50%. The agreement to reimburse expenses is in effect for at least one year from the date of the Funds' prospectus and cannot be terminated by us before that date. After that time period, we will determine whether to renew or revise the agreement. The Trust's Board of Trustees may terminate the agreement at any time.

Each Fund incurs brokerage costs separate from the fees described above. Item 12 provides additional details about our brokerage practices.

Furthermore, as described in Item 8 below, the Flagship Fund invests primarily in shares of registered investment companies, including open-end funds, exchange-traded funds ("ETFs") and closed-end funds ("underlying funds"). Investment in underlying funds subjects the Flagship Fund to the management and other fees charged by those underlying funds.

The Redwood Fund generally invests in equity securities of US large capitalization companies. The Fund defines large capitalization companies as those companies within the range of the largest and smallest companies in the S&P 500 Index at the time of purchase. The Fund may also invest in the securities of U.S. companies that have market capitalizations outside the range of the S&P 500 Index and/or the securities of foreign companies in developed countries.

Individual Clients: We do not charge a set fee to manage individual client accounts. Instead, during the term of our advisory relationship, each individual client (i) has the discretion to pay us a fee in the amount he or she believes is fair (the "Advisory Fee" or "Pay What is Fair Amount"), (ii) may increase or decrease the amount of our fees at any time upon written notice to us, and the adjusted fee rate shall be deemed to have been in effect since the first day of the quarter and (iii) is under no obligation to pay the Advisory Fee, as the client can reduce the Advisory Fee to 0.00% on the last business day of the quarter.

Our quarterly fee, if any, is calculated by multiplying the Advisory Fee rate by the average market value of all assets in the account on the last business day of each quarter, based on the applicable Fund's net asset value determined in accordance with each Fund's procedures.

Clients may pay the Advisory Fee through an electronic funds transfer ("EFT"), by credit card, or through redemption of shares.

Individual clients also may be charged wire fees, returned check fees, and other fees by the applicable Fund. Individual clients acknowledge that payment through redemption of shares may generate capital gains that may be subject to tax.

Additional Compensation: We and our "supervised persons" (as defined in the Investment Advisers Act of 1940, as amended) do not accept compensation, including sales charges or service fees from the sale of mutual funds, from any person for the sale of securities or other investment products. However, it should be noted that outside of its investment advisory business, Aspiration offers the Aspiration Summit Account which is an interest bearing checking account. The account is offered solely on Aspiration.com, in partnership with Radius Bank. The Aspiration Summit Account has a Pay What is Fair component, where customers choose the fee they believe is fair to pay on a monthly basis and Aspiration donates 10% of the fees received to charity. Aspiration does not receive any other compensation related to the checking account.

Item 6 – Performance-Based Fees and Side-By-Side Management

We and our supervised persons do not charge performance-based fees. The term "performance-based fees" refers to fees based on a share of capital gains on, or capital appreciation of, a client's assets.

Item 7 – Types of Clients

As described above in Item 4, we provide investment management services to the Funds, which are registered open-end investment companies. We also advise individuals, but with respect to individuals, our advice is limited to advising them to invest in the Funds. In fact, individuals must establish an advisory relationship with us before they may invest in the Funds.

Minimum initial and subsequent investment amounts for each Fund are described in the Funds' registration statement.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that clients should understand and be prepared to bear.

Methods of Analysis and Principal Investment Strategies of the Flagship Fund:

The investment objective of the Flagship Fund is to seek long-term capital appreciation by providing risk-adjusted returns.

The Adviser adheres to the philosophy that any well-balanced wealth portfolio should include an allocation to alternative strategies. The Flagship Fund seeks to deliver risk-adjusted returns while providing investors with lower volatility than, and lower correlation with, traditional long-only equity and bond portfolios. Unlike the Flagship Fund, a long-only portfolio owns or holds individual securities – it does not employ strategies such as selling short those securities anticipated to decline in value. The Flagship Fund is designed to complement traditional long-only equity and bond portfolios.

The Flagship Fund seeks to achieve its investment objective by investing primarily in shares of registered investment companies, including open-end funds, ETFs and closed-end funds that emphasize alternative strategies, such as funds that sell securities short; employ asset allocation, arbitrage, option; or that invest in distressed securities, the natural resources sector, business development companies ("BDCs").

In addition to employing alternative strategies such as those described above, the underlying funds may invest in equities such as common stocks, preferred stocks, securities convertible into stocks (domestic and foreign); fixed income securities such as fixed rate debt, variable rate debt or high-yield, lower rated debt instruments (domestic and foreign); or in any combination of the foregoing. The Flagship Fund uses a flexible approach to selecting investments and is not limited by an underlying fund's investment style.

Methods of Analysis and Principal Investment Strategies of the Redwood Fund.

The primary investment objective of the Redwood Fund is to maximize total return, consisting of capital appreciation and current income.

To achieve its investment objective, the Fund invests in, or seeks exposure to, companies based on various financial factors and fundamental sustainability factors such as environmental, social and governance performance of such companies. The Fund invests in equity securities, which include, but are not limited to, dividend-paying securities, common stock, preferred stock, shares of investment companies, convertible securities, warrants and rights. The Fund may, but is not required to, use exchange-traded derivative instruments for risk management purposes or as part of the Fund's investment strategies. Generally, derivatives are financial contracts with value dependent upon, or derived from, the value of an underlying asset, reference rate, or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates, and related indexes. The derivatives in which the Fund may invest include futures and forward currency agreements. These derivatives may be used for risk management purposes to manage or adjust the risk profile of the Fund. Futures on currencies and forward currency agreements may also be used to hedge against a specific currency. In addition, futures on indices may be used for investment (non-hedging) purposes to earn income; to enhance returns; to replace more traditional direct investments; or to obtain exposure to certain markets.

Selection and Evaluation of Sub-Advisers

As noted above, Aspiration primarily executes its investment strategies through third party investment management firms selected and monitored by Aspiration. Aspiration's responsibilities with respect to sub-advised accounts include the selection, appointment, monitoring and removal of Sub-Advisers.

With respect to sub-advised accounts, Aspiration: (i) evaluates, selects, and engages the Sub-Advisers; (ii) monitors and evaluates the performance of the Sub-Advisers,

including their compliance with the investment objectives, guidelines, and restrictions applicable to each account; and (iii) implements procedures reasonably designed to ensure that the Sub-Advisers comply with each account's investment guidelines and restrictions. Aspiration has ultimate responsibility for overseeing the Sub-Advisers and their hiring, termination, and replacement, as necessary.

Generally, Sub-Advisers are selected based on an evaluation of their skills and investment results in managing assets for specific asset classes, investment styles, and strategies and an assessment of the likelihood of producing appropriate investment results over the long-term. Sub-Advisers are monitored and periodically reviewed for style consistency, historical performance, financial strength, compliance program, operations, risk attribution, reputation and other information.

We are generally authorized, on a discretionary basis, to select the investment companies in which the Funds invest based in part on an analysis of the past and projected performance and investment structure of the investment companies but, consistent with the use of sub-advisers, we have delegated such investment selection to the Sub-Adviser. In addition, other factors may be considered, including, but not limited to, the investment company's size, shareholder services, liquidity, investment objective and investment techniques, etc.

We are generally responsible for the asset allocation of the Funds and will monitor and respond to changing economic and market conditions and then, if necessary, direct the Sub-Adviser to rebalance the assets of the Fund based upon our guidelines.

Material Risks:

In addition to the risks associated with the specific strategies pursued by Sub-Advisers (discussed below), Aspiration's strategy of selecting and delegating portfolio management authority to certain third party investment managers itself involves certain risks, including without limitation:

- *Limitations on Aspiration's Authority:* Aspiration's ability to waive or amend the investment objectives, policies, and strategies, remove, replace or withdraw assets from a Sub-Adviser, reallocate assets among Sub-Advisers and vary or change the allocation of assets of an account may be subject to the limitations imposed by the agreements with Sub-Advisers, market conditions and applicable law. Losses may result during the time it takes Aspiration to react to market or other conditions and comply with the required notice obligations or other contractual agreements.
- *Reliance on Sub-Advisers:* The success of a strategy that uses independent Sub-Advisers depends upon, among other things, the ability of the Sub-Advisers to develop and successfully implement trading strategies that achieve their investment objectives. While Aspiration will select and monitor the Sub-Advisers, Aspiration relies to a great extent on information provided by the Sub-Advisers and may have limited access to other information regarding the Sub-Advisers'

portfolios and operations. There is a risk that a Sub-Adviser may knowingly, negligently or otherwise withhold or misrepresent information, including the presence or effects of any fraudulent or similar activities.

- *Key Person Risk:* As the composition of personnel within an organization can change over time, there is a risk that new personnel may achieve less success than their predecessors. The loss of key personnel either within Aspiration or any of the Sub-Advisers could have a negative effect on a client's account.

Principal Investment Risks:

Below are the principal risks of investing in the Flagship Fund:

Correlation Risk. While the Adviser seeks to invest the Fund's assets in underlying funds that are uncorrelated with each other or with fixed income or equity indices, there can be no assurance that the Adviser's expectations regarding such limited correlations will prove correct. Underlying funds' correlations may be much higher in times of general market turmoil.

Investment Company Risk. Investments by the Fund in other investment companies, including ETFs, will expose investors to the risk that the underlying fund manager may change objectives which may or may not parallel the investment direction of the Fund. The Adviser has no control over the managers or investments of underlying funds. In addition, the price movement of an ETF may not correlate to the underlying index and may result in a loss. Closed-end funds may trade infrequently, with small volume, and at a discount to NAV, which may affect the Fund's ability to sell shares of the fund at a reasonable price. Further, investments in other investment companies subject the investor to fees and expenses charged by such other investment companies, including ETFs. Finally, the Investment Company Act of 1940 imposes certain limitations on a fund's investments in other investment companies. These limitations may limit the amount the Fund may invest in certain investment companies.

Allocation Risk. In managing the Fund, the Adviser has the authority to select and allocate assets among underlying funds. The Fund is subject to the risk that the Adviser's decisions regarding asset classes and selection of underlying funds will not anticipate market trends successfully.

Underlying Fund Concentration. The Fund may invest in investment companies that concentrate in a particular industry (i.e., real estate) or industry sector (i.e., natural resources). Investments within a single industry or sector may be affected by developments within that industry or sector.

Leveraging. An underlying fund may borrow money to increase its holdings of portfolio securities. Leveraging can exaggerate the effect of any increase or decrease in the value of portfolio securities held by that fund.

Foreign Investing and Emerging Markets Risk. The Fund may invest in investment companies that invest primarily in foreign securities. Foreign investments may be riskier than U.S. investments because of factors such as unstable international political and economic conditions, currency fluctuations, foreign controls on investment, withholding taxes, a lack of adequate company information, less liquid and more volatile markets, a lack of government regulation, and legal systems or market practices that permit inequitable treatment of minority and/or non-domestic investors. These risks are magnified in investments in emerging markets. Some underlying fund investments may be denominated in foreign (non-U.S.) currencies. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the currency in which such assets are priced or in which they make distributions falls in relation to the value of the U.S. dollar.

Convertible Securities Risk. The Fund may invest in investment companies that invest in convertible securities. Convertible securities include debt obligations and preferred stock of the company issuing the security, which may be exchanged for a pre-determined price (the conversion price) into the common stock of the issuer. The market values of convertible securities and other debt securities tend to fall when prevailing interest rates rise. The values of convertible securities also tend to change whenever the market value of the underlying common or preferred stock fluctuates.

Business Development Company (BDC) Risk. BDCs may carry risks similar to those of a private equity or venture capital fund. BDC company securities are not redeemable at the option of the shareholder and they may trade in the market at a discount to their net asset value. BDCs usually trade at a discount to their net asset value because they invest in unlisted securities and have limited access to capital markets.

High Yield Risk. As a result of its investments in investment companies that invest in high yield securities (securities rated "BB" or below by S&P or "Ba" or below by Moody's) and unrated securities of similar credit quality (commonly known as "junk bonds"), the Fund may be subject to greater levels of interest rate, credit and liquidity risk than portfolios that do not invest in such securities.

Liquidity Risk. The Fund's investments in illiquid securities may reduce the return of the Fund because it may be unable to sell such illiquid securities at an advantageous time or price. Shares of an underlying fund held by the Fund in excess of 1% of the underlying fund's outstanding shares are considered illiquid.

Market Risk. The Fund's investments will face risks related to investments in securities in general and the daily fluctuations in the securities markets.

Short Sale Risk. An underlying fund will suffer a loss if it sells a security short and the value of the security rises instead of falling.

Commodities Risk. An underlying fund may invest in commodities, and commodities markets may fluctuate widely based on a variety of factors, including changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or investor expectations concerning interest rates, domestic and foreign inflation rates and investment and trading activities of mutual funds, hedge funds and commodities funds.

ETFs. Shares of ETFs have many of the same risks as direct investments in common stocks or bonds and their market value is expected to rise and fall with changes in the securities markets and, with respect to index-linked ETFs, with changes in the value of an underlying index. In addition, the price movement of an index-linked ETF may not track the underlying index and may result in a loss.

Distressed Companies Risk. The risk associated with investing in distressed companies is that a merger or other restructuring, or a tender or exchange offer, that was proposed or pending at the time the Fund invested in the distressed company may not be executed with the terms or within the time frame anticipated, resulting in losses to the Fund.

Alternative Asset Class Risk. The Fund may invest in certain highly volatile alternative asset classes. Investors should consider purchasing shares of the Fund only as part of an overall diversified portfolio and should be willing to assume the risks of potentially significant fluctuations in the value of Fund shares.

Long/Short Selling Risk. The Fund may invest in underlying funds that take long and short positions in different securities, and may invest in such underlying funds as a part of its principal investment strategy. There are risks involved with selling securities short. The underlying fund may not always be able to borrow the security or close out a short position at an acceptable price, and may have to sell long positions at disadvantageous times to cover short positions. The underlying fund will incur a loss as a result of the short sale if the price of the security increases between the date of the short sale and the date on which the fund replaces the borrowed security. The underlying fund may be required to pay a premium, dividend or interest.

Arbitrage Risk. An arbitrage strategy has the risk that anticipated opportunities may fail to yield expected returns and that an underlying fund's manager may incorrectly identify market inefficiencies or mispricing of securities. To the extent an underlying fund engages in merger arbitrage, targeted reorganizations may be renegotiated or fail to close, resulting in losses to the underlying fund.

Derivatives Risk. Derivative transactions, including options on securities and securities indices and other transactions in which an underlying fund may engage (such as futures contracts and options thereon and swaps), may subject the Fund to increased risk of principal loss due to unexpected movements in stock prices, changes in stock volatility levels and interest rates and imperfect

correlations between the Fund's securities holdings and indices upon which derivative transactions are based. Derivative transactions may subject the Fund to increased credit risk with respect to the counterparties to the derivatives contracts purchased by the underlying fund.

Natural Resources Risk. The Fund may invest in investment companies that invest primarily in the natural resources sector. The values of natural resources are affected by numerous factors including events occurring in nature and international politics. For example, events in nature, such as earthquakes or fires in prime resource areas, and political events, such as coups or military confrontations, can affect the overall supply of a natural resource and thereby affect the value of companies involved in that natural resource.

Equity Securities. The Fund may invest in investment companies that invest in equity securities. Equity securities fluctuate in value, often based on factors unrelated to the fundamental economic condition of the issuer of the securities, including general economic and market conditions, and these fluctuations can be pronounced.

Bonds and Other Fixed Income Securities. The Fund may invest in investment companies that invest in bonds and/or other fixed income securities. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility resulting from, among other things, interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). Securities with longer durations are likely to be more sensitive to changes in interest rates, generally making them more volatile than securities with shorter durations. Lower rated fixed income securities have greater volatility because there is less certainty that principal and interest payments will be made as scheduled.

Management Risk. The Fund has a limited history of operations for investors to evaluate. In addition, the Adviser and Sub-Adviser have limited experience managing a mutual fund. The Adviser believes that most of its clients will pay a reasonable and fair advisory fee. If a significant number of clients do not pay an advisory fee for an extended period of time, the Adviser, and any sub-adviser, may not be able to continue to render services to the Fund. If the Adviser is not able to pay Fund expenses required under the Fund's Expense Limitation Agreement, the Adviser may have to resign as adviser to the Fund or dissolve and liquidate the Fund.

New Fund Risk. The Flagship Fund was launched in October 2014. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable

for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

Below are the principal risks of investing in the Redwood Fund:

Market risk: The market value of the Fund's investments may fluctuate, sometimes rapidly or unpredictably, as the stock and bond markets fluctuate. Market risk may affect a single issuer, industry, or sector of the economy, or it may affect the market as a whole.

Management Risk. The Fund has a limited history of operations for investors to evaluate. In addition, the Adviser and Sub-Adviser have limited experience managing a mutual fund. The Adviser believes that most of its clients will pay a reasonable and fair advisory fee. If a significant number of clients do not pay an advisory fee for an extended period of time, the Adviser, and any sub-adviser, may not be able to continue to render services to the Fund. If the Adviser is not able to pay Fund expenses required under the Fund's Expense Limitation Agreement, the Adviser may have to resign as adviser to the Fund or dissolve and liquidate the Fund.

Derivatives risk: The value of derivatives—so called because their value derives from the value of an underlying asset, reference rate or index—may rise or fall more rapidly than other investments. It is possible for the Fund to lose more than the amount it invested in the derivative. The risks of investing in derivative instruments also include market risk, management risk and counterparty risk (which is the risk that a counterparty to a derivative contract is unable or unwilling to meet its financial obligations). In addition, non-exchange traded derivatives may be subject to liquidity risk, credit risk and mispricing or valuation complexity. These derivatives' risks are different from, and may be greater than, the risks associated with investing directly in securities and other instruments.

Futures Risk. Use of futures contracts may cause the value of the Fund's shares to be more volatile. Futures contracts expose the Fund to leverage and tracking risks because a small investment in futures contracts may produce large losses and futures contracts may not accurately track the underlying securities. Changes in the value of futures contracts may not track or correlate perfectly with the underlying index because of temporary, or even long-term, supply and demand imbalances and because futures do not pay dividends unlike the stocks upon which they are based.

Leverage risk associated with financial instruments: The use of financial instruments to increase potential returns, including derivatives used for investment (non-hedging) purposes, may cause the Fund to be more volatile than if it had not been leveraged. The use of leverage may also accelerate the velocity of losses and can result in losses to the Fund that exceed the amount originally invested.

Focused investment risk: There is a risk that investing in a select group of securities could subject the Fund to greater risk of loss and could be considerably more volatile than the Fund's primary benchmark or other mutual funds that are diversified across a greater number of securities.

Foreign investing risk: The value of the Fund's investments in foreign securities may fall due to adverse political, social and economic developments abroad and due to decreases in foreign currency values relative to the US dollar. Also, foreign securities are sometimes less liquid and more difficult to sell and to value than securities of U.S. issuers.

Temporary Defensive Positions. From time to time, the Fund may take temporary defensive positions that are inconsistent with the Fund's principal investment strategies, in attempting to respond to adverse market, economic, political, or other conditions. For example, the Fund may hold all or a portion of its assets in money market instruments (high quality income securities with maturities of less than one year), securities of money market funds or U.S. Government repurchase agreements. The Fund may also invest in such investments at any time to maintain liquidity or pending selection of investments in accordance with its policies. As a result, the Fund may not achieve its investment objective.

Limited capitalization risk: There is a risk that securities of small capitalization companies tend to be more volatile and less liquid than securities of larger capitalization companies. This can have a disproportionate effect on the market price of smaller capitalization companies and affect the Fund's ability to purchase or sell those securities. In general, smaller capitalization companies are more valuable than larger companies to adverse business or economic developments and they may have more limited resources.

New Funds risk: The Redwood Fund was launched in November 2015. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

Item 9 – Disciplinary Information

As a registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

We have no such events to report.

As noted above, outside of its investment advisory business, Aspiration offers the Aspiration Summit Account, which is an interest bearing checking account. The account is offered solely on Aspiration.com, in partnership with Radius Bank. The Aspiration Summit Account has a Pay What is Fair component, where customers choose the fee they believe is fair to pay on a monthly basis and Aspiration donates 10% of the fees received to charity. Aspiration does not receive any other compensation related to the checking account. Radius Bank is a banking institution. Aspiration does not utilize Radius Bank for any portion of its investment advisory business. As such, Aspiration does not believe there are any conflicts of interest at this time. However, Aspiration will continue to monitor this relationship to ensure that any conflicts are appropriately identified and addressed.

Item 10 – Other Financial Industry Activities and Affiliations

We are obligated to disclose if we, any of our supervised persons, or any of our affiliates are involved in other financial industry activities, such as those of a broker-dealer, commodity pool operator or a futures commission merchant. We are also obligated to disclose if we receive compensation from other advisers for recommending or selecting advisers for clients.

Sub-Advisory Relationships

Third party investment advisers provide investment management services to Aspiration through sub-advisory agreements. Aspiration does not receive compensation, directly or indirectly, from the Sub-Advisers, but rather pays them for their investment management services a portion of the advisory fee Aspiration receives from the clients. In all cases, Sub-Advisers are selected based on an evaluation of their skills and investment results in managing assets for specific asset classes, investment styles, and strategies. Any decision to engage or terminate a particular Sub-Adviser will be based upon continued suitability and performance of the Sub-Adviser in relation to its management of client assets.

Currently, Aspiration has sub-advisory agreements with Emerald and UBS. Our clients pay a discretionary investment management fee to us. We pay Emerald and UBS a sub-advisory fee as described in Item 5 above.

As noted above, Emerald is owned by its employees via an employee stock ownership plan. Mr. Joseph Besecker is a trustee and a beneficial owner of the plan trust. Mr. Besecker owns a non-controlling interest (non-voting B units) in Aspiration Partners, Inc., the parent company to Aspiration Fund Adviser, LLC. It should be noted that Emerald is not a related person of ours or an affiliate based on Mr. Besecker's holdings. However, we are disclosing the relationship with Emerald because Emerald is a registered investment adviser. This relationship presents a potential conflict in that we have chosen to use the services of Emerald. We have written compliance policies and procedures designed to mitigate or manage this potential conflict of interest.

Other Financial Industry Affiliations

A related person of Aspiration, who is not involved in the day to day business of Aspiration, has ownership interests in certain non-affiliated broker dealers, investment advisers, and managing members or general partners of pooled investment vehicles. Aspiration does not have business dealings, share operations, or share premises with any such entity. Further Aspiration has no reason to think that this would cause a conflict of interest with its clients.

As noted above, outside of its investment advisory business, Aspiration offers the Aspiration Summit Account, which is an interest bearing checking account. The account is offered solely on Aspiration.com, in partnership with Radius Bank. The Aspiration Summit Account has a Pay What is Fair component, where customers choose the fee they believe is fair to pay on a monthly basis and Aspiration donates 10% of the fees received to charity. Aspiration does not receive any other compensation related to the checking account. Radius Bank is a banking institution. Aspiration does not utilize Radius Bank for any portion of its investment advisory business. As such, Aspiration does not believe there are any conflicts of interest at this time. However, Aspiration will continue to monitor this relationship to ensure that any conflicts are appropriately identified and addressed.

We have no other financial industry activities or affiliations to report. Furthermore, we do not receive compensation from other advisers for recommending or selecting them. Notwithstanding the above, it should be noted that UBS has a number of affiliates that are registered broker dealers, and manages various investment companies. Clients that wish to get more information on these relationships should refer to the UBS 2A. The Redwood Fund will not execute trades with any UBS affiliated broker.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics: We expect our supervised persons to always act in the best interest of our clients, and to place the interests of our clients ahead of our own. We have adopted a Code of Ethics (the "Code"), which sets forth the standard of business conduct expected from each member of our team.

The Code restricts trading in any security for which we believe we may be privy to material non-public information. It also restricts personal trading activities to prevent any conflict of interest between personal trading and client trading. In addition, we maintain compliance policies and procedures that limits gifts and entertainment, whether received or given, to avoid conflicts of interests. We also require all outside business activities of our team members to be disclosed so that potential conflicts can be detected and addressed. Finally, we limits the political contributions of our managers and employees to prevent any potential conflicts in that area as well. All our managers and employees must accept in writing the terms of the firm's Compliance Manual as well as the Code upon employment, annually, and as amended.

We will provide a copy of the Code to any client or prospective client upon request by contacting the firm's Chief Compliance Officer at the telephone number or the address specified on the cover page of this brochure.

Participation or Interest in Client Transactions and Personal Trading: We and/or our supervised persons may buy or sell shares of the Funds on a pre-clearance basis upon approval by the firm's Chief Compliance Officer. In addition, supervised persons are generally restricted from transacting in securities in which the Funds have invested or have pending orders to buy or sell, subject to certain exceptions as detailed in the Code.

Item 12 – Brokerage Practices

Brokerage Selection & Best Execution: We are generally authorized to place securities transactions with brokers for execution. Nevertheless, consistent with our use of Sub-Advisers, we generally are not engaged in such activity and have delegated discretion to the Sub-Advisers to select the brokers to execute transactions for the Funds and to negotiate and determine the commissions to be paid for such transactions. Many factors will be considered when selecting a broker or dealer for a transaction, including the broker's execution capability, the broker's responsiveness to the Sub-Adviser or to us, the broker's reputation and access to the markets for the security being traded, the efficiency with which the trade will be executed, commission rates and the value of the research products and services that a broker lawfully may provide to assist either the Sub-Advisers or us in the exercise of investment decision-making responsibilities, the availability of soft dollar accrual, and the expected market impact of the trade. The determining factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution for our clients. In light of the foregoing, we will monitor the Funds' trades placed by the Sub-Adviser for best execution. Finally, the Sub-Adviser is also subject to oversight by the Trustees of Aspiration Funds.

A significant percentage of the Flagship Fund's trades involve the purchase or redemption of mutual fund shares. Such trading differs from the trading of individual stocks or ETFs. Mutual funds are typically priced once a day at the close of the New York Stock Exchange. Shares are typically bought and sold directly from each specific fund's distributor, and while the fund may charge a sales load or redemption fee, there is usually not a transaction-based commission charged by an executing broker-dealer as there would be for an individual stock. Due to the daily pricing and direct purchase / redemption of mutual funds, the Flagship Fund has effected an arrangement whereby mutual fund purchases and redemptions will be executed by the Flagship Fund's Custodian, currently UMB Bank, N.A. UMB Bank does not charge a fee or commission to provide this execution service but does so in its role as custodian for the Flagship Fund.

Research & Other Soft Dollar Benefits: As an adviser, we have a fiduciary obligation to seek best execution for client trades and not to use client assets for our own benefit at the expense of our clients. Congress, recognizing the value of research in managing client accounts, enacted Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") to allow advisers to use client commissions to acquire research in good faith provided that the amount of commission was reasonable in relation to the value of the brokerage services received. We will monitor the Sub-Adviser's use of soft dollars in accordance with the regulations under the Securities Exchange Act of 1934.

On nearly all executed trades, the Funds pay brokerage commissions that are competitive, but which are higher than the lowest available rate available from an "executional only" broker, and the Sub-Advisers receive research products and services in return. The "additional" commission paid for this research is commonly referred to as "soft dollars." There are two types of soft dollars, those used to acquire proprietary research products and services from the broker executing the trade, and those used to acquire third party research products and services. The Sub-Advisers use both types of soft dollars.

We benefit from the use of client commissions to purchase research products and services because we do not have to produce or pay for these research products or services. This creates a conflict of interest for us because:

- A. The Sub-Advisers may have an incentive to trade with brokers providing the most useful research, which may or may not be the broker providing the lowest price execution.
- B. The Sub-Advisers may have an incentive to trade more frequently in order to accrue additional soft dollars.

Soft dollar benefits generated from trading for a Fund are used to service that Fund directly (because we do not trade for individual clients, soft dollar benefits are not generated from individual client accounts). However, because our only clients are the Funds, and individual clients whom we have advised only to invest in the Funds, such soft dollar benefits generated benefit all of our clients (the Funds directly and Funds' investors indirectly).

Proprietary Research Products and Services: The Sub-Advisers will use soft dollars to obtain proprietary research products and services from most brokers. These brokers bundle trade execution and research services into the total trade commission cost. The types of proprietary products and services that are received from these brokers may include: (i) coordinating meetings or calls with management teams of companies of interest to us and the Sub-Advisers, (ii) coordinating trips for our research analysts to visit companies, (iii) providing attendance at conferences sponsored by brokers where companies meet with or present to potential investors like us, (iv) access to allocations in limited offerings, such as initial public offerings, and (v) access to research analysts at the broker, and reports generated by such analysts. These products and services are

not generally available for sale otherwise and can only be obtained by paying broker trade commissions.

Third Party Research: The Sub-Advisers use soft dollars accrued through unbundled commissions (where trade execution and research services are paid separately to the broker) to obtain third party research products and services. This flexibility allows them to select the research services they feel are the most valuable to their research process and in turn most beneficial to our clients. Third party research products and services may include, among other things, data services, publications, databases and software.

On occasion, a product or service furnished to the Sub-Advisers by a broker may have both research and non-research functionality. Under such circumstances, we will make a reasonable allocation as to the portion of the product or service that provides assistance in the research process and can appropriately be paid for with soft dollars. The non-research portion of the product or service will be paid for by us.

Evaluation of Research Obtained with Soft Dollars: Consistent with the safe harbor provided for research under Section 28(e), the Sub-Advisers will make a good faith determination that the commissions paid are reasonable in relation to the value of the brokerage and research services provided, either in terms of a particular transaction or our or the Sub-Advisers' overall responsibility to our clients. We and the Sub-Advisers evaluate research based on the extent it assists us in our investment decision-making or allocation process and consider the size and experience of the staff providing the information, accessibility, timelines of recommendations, and success rates of forecasting.

Brokerage for Client Referrals: Client referrals are not a consideration in selecting broker-dealers to execute transactions for our clients. Neither Aspiration nor the Sub-Advisers compensate broker-dealers for distributing the Funds by directing brokerage transactions to them.

Directed Brokerage: We do not have any trades directed to a particular broker-dealer by any of our clients. We, at our sole discretion, or the Sub-Advisers select the broker-dealer through which each trade is placed.

Trade Aggregation: Because we do not manage the Funds' portfolios directly, and with respect to individuals, our advice is limited to advising them to invest in the Funds, and because the Funds pursue separate investment strategies we do not aggregate the purchase or sale of securities for various client accounts.

Item 13 – Review of Accounts

As part of investment management oversight, the Sub-Advisers monitor the holdings of each Fund daily to ensure compliance with the respective Fund's investment objectives, investment strategies and restrictions and to determine whether investment changes should be made. Quarterly, the Sub-Advisers attests to adherence to regulations and

the respective Fund's investment objectives. Shareholders in the Funds electronically receive prospectuses, supplements, annual reports and semi-annual reports and other periodic statements from the Funds. These reports discuss portfolio positions, asset allocation, and changes in portfolio value and investment returns. In addition, each Fund's annual report discusses market conditions and investment strategies that significantly affected that Fund's performance during the previous fiscal year.

Because our individual clients are also shareholders of the Funds and receive the materials described above directly from the Funds, we do not provide regular reports to individual clients or review their accounts.

Item 14 – Client Referrals and Other Compensation

We receive no economic benefit for providing investment advice to clients other than as outlined in Item 5.

Client Referrals: Aspiration (and certain of its affiliates) offers compensation to marketers, bloggers, solicitors, and other strategic partners (collectively "Third Party Marketers") who recommend Aspiration and refer new clients. New clients are advised of such compensation prior to opening an account. Aspiration supervises the referral activities of such Third Party Marketers. Clients are not charged any fee nor do they incur any additional costs for being referred to Aspiration by a current client, affiliate marketer, solicitor, or other strategic partner.

Item 15 – Custody

We do not provide custodial services to our clients, and we do not have custody of client assets or securities. Client assets are held by a "qualified custodian." In particular, individual client assets are held by the Funds' transfer agent, and the Funds' assets are held by a custodial bank.

The Funds: Each Fund will receive daily statements from its custodian directly.

Individual Clients: Our advice to individual clients is limited to advising them to invest in the Funds. Shareholders in the Funds receive prospectuses, supplements, annual reports, semi-annual reports and other periodic statements from the Fund. However, our individual clients will not receive custodial statements regarding their investment in the Funds.

Item 16 – Investment Discretion

Our investment management agreement with the Funds gives us discretionary authority to manage the assets of the Funds. Consistent with the use of a Sub-Adviser, the day-to-day management of the Fund has been delegated to the Sub-Advisers. Together

with the Sub-Advisers, we observe investment limitations and restrictions that are outlined in each Fund's prospectus and Statement of Additional Information.

We do not accept discretionary authority to manage securities on behalf of individual clients.

Item 17 – Voting Client Securities

The Funds: The Funds delegated the authority to vote proxies to us. We, in turn, delegated the responsibility to exercise voting authority to vote proxies on behalf of the Funds to the Sub-Advisers in accordance with the Sub-Advisers' proxy voting procedures. We will collect and review the proxy voting undertaken by the Sub-Advisers on behalf of the Funds on no less than an annual basis.

Should the Sub-Advisers identify a conflict of interest that impedes its ability to vote a proxy and we are called upon to exercise voting authority, we will vote in accordance with our proxy voting policy that we have adopted and implemented, including guidelines and procedures to assist our proxy review team in making voting decisions. When we vote such proxies, our objective is to maximize the value of the securities held by the Funds.

When we recognize a conflict of interest that impedes our ability to vote a proxy, we will vote the proxy in accordance with the procedures approved by the Board of Trustees of the Funds to mitigate such conflicts. We do not utilize third party proxy voting services.

Individual Clients: We do not accept authority to vote proxies on behalf of our individual clients. Instead, our individual clients vote directly on matters submitted to Funds shareholders for a vote.

All clients may obtain a copy of our Proxy Voting Policy and Procedures, as well as information regarding votes cast with regard to the securities of the mutual funds we manage, by submitting a request to the firm's Chief Compliance Officer at the address or telephone number indicated on the cover page of this brochure.

Item 18 – Financial Information

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients. We also have never been the subject of a bankruptcy proceeding.