

# **Annual Report**

As of September 30, 2023

## **Aspiration Redwood Fund**

# **Aspiration**

This report and the financial statements contained herein are submitted for the general information of the shareholders of the Aspiration Redwood Fund (the "Fund"). The Fund's shares are not deposits or obligations of, or guaranteed by, any depository institution. The Fund's shares are not insured by the FDIC, Federal Reserve Board or any other agency, and are subject to investment risks, including possible loss of principal amount invested. Neither the Fund nor the Fund's distributor is a bank.

The Aspiration Redwood Fund is distributed by Aspiration Financial LLC, Member FINRA/SIPC, 4551 Glencoe Avenue, Marina Del Ray, CA 90292.

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Statements in this Annual Report that reflect projections or expectations of future financial or economic performance of the Aspiration Redwood Fund (the "Fund") and of the market in general and statements of the Fund's plans and objectives for future operations are forward-looking statements. No assurance can be given that actual results or events will not differ materially from those projected, estimated, assumed or anticipated in any such forward-looking statements. Important factors that could result in such differences, in addition to the other factors noted with such forward-looking statements, include, without limitation, general economic conditions such as inflation, recession and interest rates. Past performance is not a guarantee of future results.

***An investor should consider the investment objectives, risks, and fees and expenses of the Fund carefully before investing. The prospectus contains this and other information about the Fund. A copy of the prospectus is available at [funds.aspiration.com/redwood/](https://funds.aspiration.com/redwood/) or by calling the Advisor at 800-683-8529. The prospectus should be read carefully before investing.***

**For More Information on the Aspiration Redwood Fund:**

See Our Web site at [aspiration.com](https://www.aspiration.com)

or

Call Our Shareholder Services Group at **800-683-8529**.

## Shareholder Letter

*(Unaudited)*

Thank you for your investment in the Redwood Fund. You are part of a growing community of Americans - and others around the world - who are choosing to save, invest, and spend in ways that contribute positively to the climate transition.

The past year has been volatile - both in terms of economic uncertainty, and in terms of the climate transition.

Global macroeconomic conditions created a fair amount of uncertainty for investors. As the Russia-Ukraine war entered its second year, the price of oil - while off its peak - remained elevated. The Fed Funds effective interest rate, after increasing 300 basis points in the year ending September 30, 2022, increased another 225 basis points this year. The increased interest rates have had their intended effect as the annualized rate of inflation fell by 50% from its 2021 peak but have driven a significant tightening of credit markets.

In the US, the Inflation Reduction Act, passed on Q3 of 2022, acted as a major stimulus for climate-related investments across a wide range of industries. At the same time, 2023 has been marked by a series of extreme climate events. The UK experienced its hottest summer on record, with India and Pakistan experiencing the hottest summers in recent history, and heat waves resulting in major wildfires in France, Spain, and Portugal. Australia and China suffered from extreme flooding, with China experiencing its worst flooding in decades.

Aspiration remains committed to our ESG investment strategy. We believe that by investing in companies that are financially sound, while also focused on taking steps to protect the environment, we can provide a strong return on investment while supporting companies that are contributing to mitigating the climate crisis.

### UBS Commentary on Fund Performance

#### **The Aspiration Redwood Fund:**

The Fund seeks long-term capital appreciation by investing in US equity securities that the Sub-Advisor believes are attractively valued and typically has a strong sustainability profile in order to provide risk-adjusted returns over the longer term.

#### **Market Highlights:**

The period from October 1, 2022, to September 30, 2023, saw a continuation of rate hikes from central banks globally in an effort to tame inflation, and concerns around the impact monetary tightening would have on economic growth.

Generally, in Q1 2023, global equities gained as recession worries appeared to abate and we saw growth stocks outperform value in the quarter in a very narrowly based market recovery driven by US mega-caps. Market sentiment was undermined in March this year when worries over the health of the banking system on both sides of the Atlantic became the main preoccupation for investors. While markets were volatile, fragile confidence in Q1 2023 saw a 'flight to safety' as investors sheltered in large, liquid stocks.

Equities rallied in the second quarter amid renewed optimism that the Federal Reserve would pull off an economic soft landing, along with continued enthusiasm over the potential of artificial intelligence (AI) to boost the technology sector. However, the third quarter saw significant market volatility and pressure on risk assets due to higher bond yields.

#### **Performance:**

The Fund returned **+17.00%\*** for the 12-month reporting period ended September 30, 2023, and underperformed the S&P 500 Index (the benchmark). The benchmark returned **+21.62%** for the same reporting period. Underperformance over the 1-year period was mainly driven by our material underweight to the mega cap cohort of the US market. Broadly speaking, our positioning in Information Technology detracted the most where we lacked exposure to some of the main AI beneficiaries within the index. Our Consumer

Staples positioning also detracted from relative performance as some of our holdings were weighed by pockets of weakness in consumer spending.

On the other hand, our overweight to the Utilities sector was the main positive contributor, followed by our overall positioning in Consumer Discretionary. In the latter, our exposure to discount retailers for example contributed positively as these benefitted from excess inventory levels.

**Positioning:**

Despite concerns over the macro environment and restrictive monetary policy, corporate earnings have shown to be fairly resilient, and estimates have gradually improved over the course of this year. We believe some known risks have already been priced into the market for some time, such as tighter credit conditions and declining consumer spending. Against this backdrop, we remain cautiously optimistic that a soft-landing scenario may be achievable. In this environment, we continue to focus on stock specific fundamentals and identify companies with good earnings achievability, such as those with inflation protected earnings or new essential technologies for example.

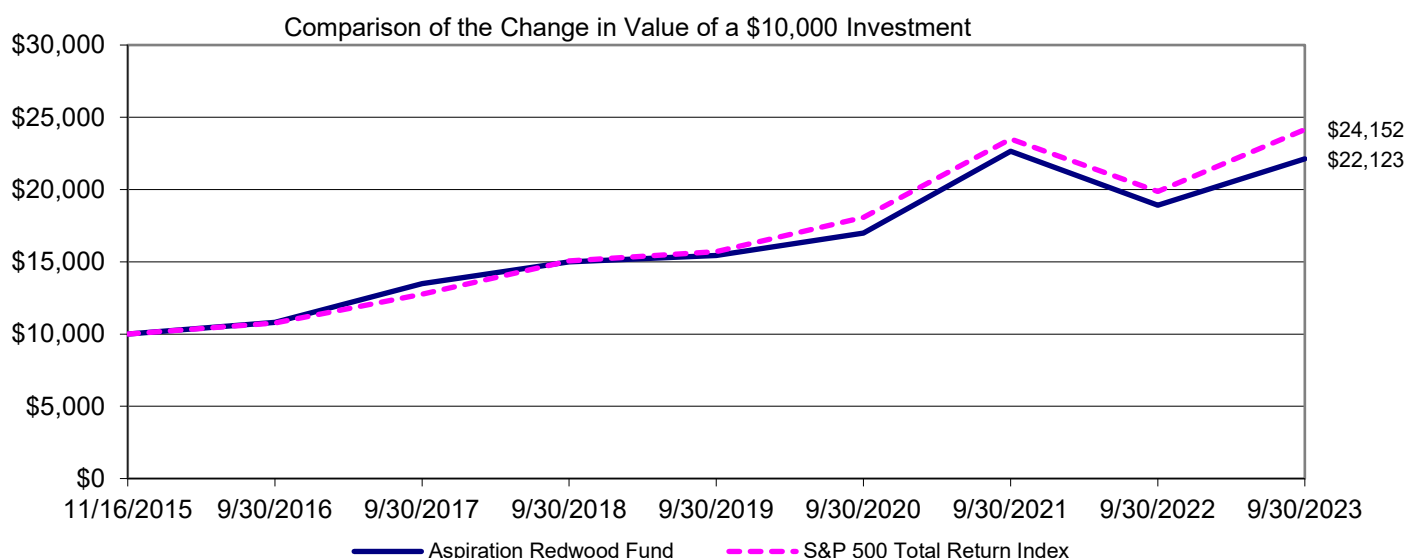
While investors have faced a highly narrow market environment earlier this year driven by AI exuberance, Q3 saw a slight broadening out in stock performance and there were signs of increasing company specific risk - an environment where we believe the fund is well positioned to perform well. We maintain our price to intrinsic value discipline and remain focused on valuations - taking advantage of price dislocations where we believe certain stocks have been penalized for short term headwinds, while avoiding pockets of the market where we believe enthusiasm is overextended. Currently, the fund's largest sector overweights are to Consumer Staples and Health Care, while we are overweight Energy (structurally) and Information Technology. Broadly speaking, we continue to be balanced in our positioning and focus on companies with strong cash flows, attractive valuations, and asymmetric risk/reward profiles.

*\*The returns shown above are based on currently available information and are subject to revision. Past performance is not indicative of future results. Performance figures are gross of fees in USD and do not reflect the deduction of advisory fees or other expenses that reduce client returns.*

# Aspiration Redwood Fund

## Performance Update (Unaudited)

For the period from November 16, 2015 (Date of Initial Public Investment) through September 30, 2023



The graph above assumes an initial \$10,000 investment and the reinvestment of dividends and capital gains distributions. This graph depicts the performance of the Fund versus the S&P 500 Total Return Index. It is important to note that the Fund is a professionally managed mutual fund while the indices are not available for investment and are unmanaged. The comparison is shown for illustrative purposes only.

Average Annual Total Returns					
As of September 30, 2023	One Year	Five Year	Since Inception	Gross Expense Ratio*	Net Expense Ratio*
Aspiration Redwood Fund - With maximum assumed contribution reduction**	17.00%	8.08%	10.61%	0.86%	0.50%
Aspiration Redwood Fund - Without maximum assumed contribution reduction	19.00%	10.08%	12.61%	0.86%	0.50%
S&P 500 Total Return Index	21.62%	9.92%	11.85%	N/A	N/A

\* The gross and net expense ratios shown are from the Fund's Financial Highlights as of September 30, 2022.

\*\* Investors in the Fund are clients of Aspiration Fund Adviser, LLC (the "Advisor") and may pay the Advisor a fee in the amount they believe is fair ranging from 0% to 2% of the value of their investment in the Fund. The Average Annual Total Returns with a maximum assumed contributed reduction is calculated assuming a maximum advisory fee of 2% is paid by an investor to the Advisor.

Performance quoted in the previous graph represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. An investor may obtain performance data, current to the most recent month-end, by visiting aspiration.com.

The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Average annual total returns are historical in nature and measure net investment income and capital gain or loss from portfolio investments assuming reinvestment of distributions.

# Aspiration Redwood Fund

## Schedule of Investments

As of September 30, 2023

	Shares	Value (Note 1)
<b>Common Stocks - 97.67%</b>		
<b>Communications - 7.47%</b>		
Alphabet Inc (a)	40,811	\$ 5,340,527
Take-Two Interactive Software Inc (a)	32,720	4,593,561
		<u>9,934,088</u>
<b>Consumer Discretionary - 10.54%</b>		
Aptiv PLC (a)	37,562	3,703,238
Brunswick Corp/DE	20,211	1,596,669
Rivian Automotive Inc (a)	63,853	1,550,351
Starbucks Corp	26,057	2,378,222
TJX Cos Inc/The	53,958	4,795,787
		<u>14,024,267</u>
<b>Consumer Staples - 9.71%</b>		
Costco Wholesale Corp	9,279	5,242,264
Dollar Tree Inc (a)	23,871	2,541,068
Estee Lauder Cos Inc/The	11,827	1,709,593
Sprouts Farmers Market Inc (a)	52,094	2,229,623
Target Corp	10,740	1,187,522
		<u>12,910,070</u>
<b>Energy - 0.50%</b>		
SolarEdge Technologies Inc (a)	5,149	666,847
<b>Financials - 9.10%</b>		
Ameriprise Financial Inc	14,970	4,935,310
Marsh & McLennan Cos Inc	24,004	4,567,961
Voya Financial Inc	39,060	2,595,537
		<u>12,098,808</u>
<b>Health Care - 16.55%</b>		
AbbVie Inc	21,228	3,164,246
Bio-Rad Laboratories Inc (a)	8,350	2,993,058
Dexcom Inc (a)	9,404	877,393
Eli Lilly & Co	6,547	3,516,590
Option Care Health Inc (a)	37,586	1,215,907
UnitedHealth Group Inc	12,453	6,278,678
Vertex Pharmaceuticals Inc (a)	11,387	3,959,715
		<u>22,005,587</u>
<b>Industrials - 8.46%</b>		
Bloom Energy Corp (a)	54,911	728,120
Emerson Electric Co	17,909	1,729,472
Hayward Holdings Inc (a)	102,591	1,446,533
Montrose Environmental Group Inc (a)	55,746	1,631,128
MSA Safety Inc	16,530	2,605,955
Regal Rexnord Corp	13,033	1,862,155
Waste Management Inc	8,151	1,242,538
		<u>11,245,901</u>
<b>Materials - 5.26%</b>		
AZEK Co Inc/The (a)	87,786	2,610,756
Ecolab Inc	10,810	1,831,214
International Flavors & Fragrances Inc	37,571	2,561,215
		<u>7,003,185</u>

See Notes to Financial Statements

# Aspiration Redwood Fund

## Schedule of Investments

As of September 30, 2023

	Shares	Value (Note 1)
<b>Technology - 28.83%</b>		
Adobe Inc (a)	5,596	\$ 2,853,400
Advanced Micro Devices Inc (a)	33,563	3,450,948
Broadcom Inc	1,938	1,609,664
Cadence Design Systems Inc (a)	15,951	3,737,319
Fidelity National Information Services Inc	17,427	963,190
Five9 Inc (a)	20,476	1,316,607
Micron Technology Inc	27,580	1,876,267
Microsoft Corp	29,514	9,319,047
ON Semiconductor Corp (a)	13,778	1,280,665
Salesforce Inc (a)	12,681	2,571,453
ServiceNow Inc (a)	2,638	1,474,536
Visa Inc	25,700	5,911,257
Zoom Video Communications Inc (a)	28,245	1,975,455
		<u>38,339,808</u>
<b>Utilities - 1.25%</b>		
American Water Works Co Inc	13,477	1,668,857
<b>Total Common Stocks (Cost \$109,256,725)</b>		<u>129,897,418</u>
<b>Real Estate Investment Trust - 2.34%</b>		
Prologis Inc (Cost \$2,403,455)		<u>3,114,164</u>
<b>Short-Term Investment - 0.05%</b>		
Fidelity Treasury Portfolio, 5.22%(b) (Cost \$60,409)		<u>60,409</u>
<b>Investments, at Value (Cost \$111,720,589) - 100.06%</b>		<u>133,071,991</u>
<b>Liabilities in Excess of Other Assets - (0.06)%</b>		<u>(80,219)</u>
<b>Net Assets - 100.00%</b>		<u><u>\$132,991,772</u></u>

(a) Non-income producing investment

(b) Represents 7-day effective yield as of September 30, 2023.

Summary of Investments by Sector	% of Net Assets	Value
Common Stocks		
<i>Communications</i>	7.47%	\$ 9,934,088
<i>Consumer Discretionary</i>	10.54%	14,024,267
<i>Consumer Staples</i>	9.71%	12,910,070
<i>Energy</i>	0.50%	666,847
<i>Financials</i>	9.10%	12,098,808
<i>Health Care</i>	16.55%	22,005,587
<i>Industrials</i>	8.46%	11,245,901
<i>Materials</i>	5.26%	7,003,185
<i>Technology</i>	28.83%	38,339,808
<i>Utilities</i>	1.25%	1,668,857
Real Estate Investment Trust	2.34%	3,114,164
Short-Term Investment	0.05%	60,409
Liabilities in Excess of Other Assets	(0.06%)	(80,219)
<b>Total Net Assets</b>	<b>100.00%</b>	<b>\$132,991,772</b>

See Notes to Financial Statements

# Aspiration Redwood Fund

## Statement of Assets and Liabilities

As of September 30, 2023

### Assets:

Investments, at value (cost \$111,720,589)	\$133,071,991
Dividends receivable	40,723
Interest receivable	3,259
Fund shares sold receivable	52,203
Prepaid expenses	19,636
<b>Total assets</b>	<b>133,187,812</b>

### Liabilities:

Fund shares purchased payable	26,619
Accrued expenses:	
Trustee fees	61,175
Legal fees	36,831
Custody fees	28,959
Audit and tax fees	27,179
Shareholder fulfillment fees	9,401
Operational expenses	4,434
Compliance fees	751
Administration fees	691

<b>Total liabilities</b>	<b>196,040</b>
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<b>Total Net Assets</b>	<b>\$132,991,772</b>
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### Net Assets Consist of:

Paid in capital	\$114,602,894
Accumulated earnings	18,388,878

<b>Total Net Assets</b>	<b>\$132,991,772</b>
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Capital Shares Outstanding, no par value

(unlimited authorized shares)	8,922,958
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<b>Net Asset Value, Per Share</b>	<b>\$14.90</b>
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# Aspiration Redwood Fund

## Statement of Operations

For the fiscal year ended September 30, 2023

Investment Income:	
Dividends (net of withholding tax of \$2,562)	\$ 1,365,792
Interest	112,282
<b>Total Investment Income</b>	<b>1,478,074</b>
Expenses:	
Transfer agent fees (note 2)	531,375
Trustee fees and meeting expenses (note 3)	155,064
Administration fees (note 2)	134,183
Professional fees	64,452
Custody fees	59,249
Registration and filing expenses	50,992
Fund accounting fees (note 2)	40,279
Shareholder fulfillment fees	13,590
Compliance fees (note 2)	12,740
Security pricing fees	6,540
<b>Total Expenses</b>	<b>1,068,464</b>
Fees waived by Advisor (note 2)	(240,819)
<b>Net Expenses</b>	<b>827,645</b>
<b>Net Investment Income</b>	<b>650,429</b>
Realized and Unrealized Gain (Loss) on Investments:	
Net realized loss from investment transactions	(2,959,440)
Net change in unrealized appreciation on investments	22,603,149
<b>Net Realized and Unrealized Gain (Loss) on Investments</b>	<b>19,643,709</b>
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>\$20,294,138</b>

See Notes to Financial Statements

# Aspiration Redwood Fund

## Statements of Changes in Net Assets

For the fiscal year ended September 30,

	2023	2022
Operations:		
Net investment income	\$ 650,429	\$ 1,698,279
Net realized gain (loss) from investment transactions	(2,959,440)	2,925,561
Net change in unrealized appreciation (depreciation) on investments	22,603,149	(28,436,607)
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>20,294,138</b>	<b>(23,812,767)</b>
Distributions to Shareholders from Distributable Earnings	(3,012,515)	(14,504,214)
Capital Share Transactions:		
Shares sold	15,205,481	24,136,693
Reinvested dividends and distributions	3,001,861	14,438,187
Shares repurchased	(22,621,797)	(20,195,710)
<b>Net Increase (Decrease) in Net Assets Resulting from Capital Share Transactions</b>	<b>(4,414,455)</b>	<b>18,379,170</b>
<b>Net Increase (Decrease) in Net Assets</b>	<b>12,867,168</b>	<b>(19,937,811)</b>
Net Assets:		
Beginning of Year	120,124,604	140,062,415
<b>End of Year</b>	<b>\$132,991,772</b>	<b>\$120,124,604</b>
Share Information:		
Shares sold	1,045,063	1,517,243
Shares from reinvested dividends and distributions	218,077	834,484
Shares repurchased	(1,549,131)	(1,274,826)
<b>Net Increase in Capital Shares</b>	<b>(285,991)</b>	<b>1,076,901</b>

See Notes to Financial Statements

# Aspiration Redwood Fund

## Financial Highlights

For a share outstanding during the fiscal years ended	September 30,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Year	\$13.04	\$17.22	\$12.91	\$12.81	\$13.63
Income (Loss) from Investment Operations:					
Net investment income	0.07	0.18	0.10	0.15	0.14
Net realized and unrealized gain (loss) on investments	2.12	(2.61)	4.21	1.15	0.06
<b>Total from Investment Operations</b>	<b>2.19</b>	<b>(2.43)</b>	<b>4.31</b>	<b>1.30</b>	<b>0.20</b>
Less Distributions From:					
Net investment income	(0.12)	(0.22)	-	(0.58)	(0.12)
Net realized gains	(0.21)	(1.53)	-	(0.59)	(0.90)
Return of Capital	-	-	-	(0.03)	-
<b>Total Distributions</b>	<b>(0.33)</b>	<b>(1.75)</b>	<b>-</b>	<b>(1.20)</b>	<b>(1.02)</b>
Net Asset Value, End of Year	\$14.90	\$13.04	\$17.22	\$12.91	\$12.81
<b>Total Return (a)</b>	<b>17.00%</b>	<b>(16.52)%</b>	<b>33.38%</b>	<b>9.96%</b>	<b>2.95%</b>
Net Assets, End of Year (in thousands)	\$132,992	\$120,125	\$140,062	\$100,221	\$84,597
Ratios of:					
Gross Expenses to Average Net Assets	0.80%	0.86%	0.87%	1.28%	1.50%
Net Expenses to Average Net Assets	0.62%	0.50%	0.50%	0.50%	0.50%
Net Investment Income to Average Net Assets	0.49%	1.20%	0.62%	0.78%	1.23%
Portfolio turnover rate	30.75%	20.03%	33.31%	161.38%	135.10%

(a) Investors in the Fund are clients of the Advisor and may pay the Advisor a fee in the amount they believe is fair ranging from 0% to 2% of the value of their investment in the Fund. Assuming a maximum advisory fee of 2% is paid by an investor to the Advisor, the Total Return of an investment in the Fund would have been 15.00%, (18.52)%, 31.38%, 7.96%, and 0.95% for the years ended September 30, 2023, 2022, 2021, 2020, and 2019, respectively.

# Aspiration Redwood Fund

## Notes to Financial Statements

As of September 30, 2023

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### 1. Organization and Significant Accounting Policies

The Aspiration Redwood Fund (the “Fund”) is a series of the Aspiration Funds (the “Trust”). The Trust was organized as a Delaware statutory trust on October 16, 2013 and is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company.

The Fund is a diversified series of the Trust and commenced operations on November 16, 2015. The investment objective 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, as well as fundamental sustainability factors such as the environmental, social, and governance performance of such companies. The Fund invests in equity securities that trade on U.S. securities markets, which may include securities of non-U.S. issuers as well as securities of U.S. issuers. The equity securities in which the Fund invests include, but are not limited to, dividend-paying securities, common stock, preferred stock, equity securities of real estate investment trusts (“REITS”), shares of investment companies, convertible securities, warrants, and rights. The Fund may purchase equity securities in an initial public offering (“IPO”) provided that the investment is consistent with the Fund’s investment strategy. 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.

The following is a summary of significant accounting policies consistently followed by the Fund. The policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The Fund follows the accounting and reporting guidance in the Financial Accounting Standards Board (“FASB”) *Accounting Standards Codification 946 “Financial Services – Investment Companies.”*

#### *Principles of Accounting*

The Fund uses the accrual method of accounting for financial reporting purposes.

#### *Net Asset Value*

The net asset value (“NAV”) per share of each class of a Fund is determined by dividing the Fund’s net assets attributable to each class by the number of shares issued and outstanding of that class on each day the New York Stock Exchange (“NYSE”) is open for trading. The Fund has one class of beneficial interests as of September 30, 2023.

#### *Investment Valuation*

Equity securities are generally valued by using market quotations but may be valued on the basis of prices furnished by a pricing service selected by the Advisor. Securities that are traded on any stock exchange or on the NASDAQ over-the-counter market are generally valued by the pricing service at the last quoted sale price. Lacking a last sale price, an equity security is generally valued by the pricing service at its last available quotation. Fixed income securities, including short-term investments with maturities of less than 61 days when acquired, are normally valued on the basis of prices obtained from independent third-party pricing services selected by the Advisor, which are generally determined with consideration given to institutional bid and last sale prices and take into account securities prices, yield, maturity, call features, ratings, institutional sized trading in similar groups of securities and developments related to specific securities. Debt obligations with remaining maturities of sixty days or less are valued at their amortized cost.

The Board of Trustees, including the majority of the Trustees who are not “interested persons” of the Trust, as such term is defined in the 1940 Act, has designated the Advisor to serve as the “Valuation Designee” under Rule 2a-5 to perform fair value determinations subject to the Board’s oversight. The Valuation Designee has designated certain individuals at the Advisor (the “Pricing Committee”) to carry out the Advisor’s responsibilities as Valuation Designee to the Trust. When (i) market quotations are not readily available, or (ii) the validity of the price is otherwise questionable or unreliable, securities are valued as determined in good faith by the Valuation Designee, acting through its Pricing Committee, pursuant to policies and procedures approved by the Board of Trustees.

The Fund may invest in portfolios of open-end investment companies (the “Underlying Funds”). The Underlying Funds value securities in their portfolios for which market quotations are readily available at their market values (generally the last reported sale price) and all other securities and assets at their fair value to the methods established by the board of directors of the Underlying Funds. Open-ended funds are valued at their respective net asset values as reported by such investment companies.

#### *Fair Value Measurement*

The Fund has adopted ASC Topic 820, *Fair Value Measurements*. ASC Topic 820 defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements.

# Aspiration Redwood Fund

## Notes to Financial Statements

As of September 30, 2023

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

- Level 1: Unadjusted quoted prices in active markets for identical securities assets or liabilities that the funds have the ability to access.
- Level 2: Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, credit spreads, yield curves, and market-collaborated input.
- Level 3: Unobservable inputs for the asset or liability to the extent that observable inputs are not available, representing the assumptions that a market participant would use in valuing the asset or liability at the measurement date; they would be based on the best information available, which may include the funds' own data.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following table summarizes the inputs as of September 30, 2023, for the Fund's assets measured at fair value:

	<i>Total</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3 (a)</i>
<b>Assets</b>				
Common Stocks (b)	\$129,897,418	\$129,897,418	\$ -	\$ -
Real Estate Investment Trust	3,114,164	3,114,164	-	-
Short-Term Investment	60,409	60,409	-	-
<b>Total Assets</b>	<b>\$133,071,991</b>	<b>\$133,071,991</b>	<b>\$ -</b>	<b>\$ -</b>

(a) The Fund had no Level 3 securities during the fiscal year ended September 30, 2023.

(b) Refer to Schedule of Investments for breakdown by sector.

### General Risks

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. The principal risks of investing in the Fund include: management risk, market risk, equity securities risk, sustainability risks, focused investment risk, derivatives risk, convertible securities risk, limited capitalization risk, portfolio turnover risk, IPOs risk, foreign investment risk, futures risk, leverage risk associated with financial instruments, investment company risk, REITS risk, and cybersecurity risk. The Fund held no derivatives as of the fiscal year ended September 30, 2023.

Global economies and financial markets are highly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. Furthermore, local, regional and global events such as war, acts of terrorism, social unrest, natural disasters, the spread of infectious illness or other public health threats, or bank failures could also adversely impact issuers, markets and economies, including in ways that cannot necessarily be foreseen. The Fund could be negatively impacted if the value of a portfolio holding were harmed by such conditions or events.

Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, bank failures or other events, can adversely affect local and global markets and normal market operations. Market disruptions may exacerbate political, social, and economic risks. Additionally, market disruptions may result in increased market volatility; regulatory trading halts; closure of domestic or foreign exchanges, markets, or governments; or market

# Aspiration Redwood Fund

## Notes to Financial Statements

As of September 30, 2023

participants operating pursuant to business continuity plans for indeterminate periods of time. Such events can be highly disruptive to economies and markets and significantly impact individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Fund's investments and operation of the Fund. These events could disrupt businesses that are integral to the Fund's operations or impair the ability of employees of Fund service providers to perform essential tasks on behalf of the Fund.

### *Investment Transactions and Investment Income*

Investment transactions are accounted for as of the date purchased or sold (trade date). Dividend income is recorded on the ex-dividend date. Gains and losses are determined on the identified cost basis, which is the same basis used for federal income tax purposes.

### *Expenses*

The Fund bears expenses incurred specifically on its behalf as well as a portion of Trust level expenses. Currently, the Fund is the only fund of the Trust and therefore bears all of the Trust level expenses.

### *Distributions*

The Fund may declare and distribute dividends from net investment income (if any) annually. Distributions from capital gains (if any) are generally declared and distributed annually. Dividends and distributions to shareholders are recorded on ex-date.

### *Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in the net assets from operations during the reported period. Actual results could differ from those estimates.

### *Federal Income Taxes*

No provision for income taxes is included in the accompanying financial statements, as the Fund intends to distribute to shareholders all taxable investment income and realized gains and otherwise comply with Subchapter M of the Internal Revenue Code applicable to regulated investment companies.

## **2. Transactions with Related Parties and Service Providers**

### *Advisor*

Under the Fund's investment advisory agreement, the Advisor receives an annual advisory fee of 0.00% of the Fund's average daily net assets. In other words, the Advisor does not charge any management fees with respect to the Fund. Only clients of the Advisor may invest in the Fund. These advisory clients must establish an advisory relationship and open an individual advisory account with the Advisor before investing in the Fund. The Advisor does not impose a set fee to manage the individual advisory accounts. Instead, advisory clients can pay the Advisor a fee in the amount they believe is fair to manage their individual advisory accounts.

The Advisor has entered into a contractual agreement (the "Expense Limitation Agreement") with the Trust, on behalf of the Fund, under which it has agreed to waive or reduce its fees and to assume other expenses of the Fund, if necessary, in amounts that limit the Fund's total operating expenses (other than brokerage fees and commissions, acquired fund fees and expenses, fees and expenses associated with investments in other collective investment vehicles or derivative instruments, borrowing costs, taxes, or extraordinary expenses, such as litigation and indemnification expenses) to not more than 0.95% of the average daily net assets of the Fund for the current fiscal year. The current term of the Expense Limitation Agreement remains in effect until January 31, 2024. There can be no assurance that the Expense Limitation Agreement will continue after that date. Prior to April 1, 2023, the expense limit was 0.50%.

Reimbursements and waivers of expenses by the Advisor are subject to repayment by the Fund within three years following the date on which waiver or reimbursement occurred if the Fund is able to make the repayment without exceeding the lesser of its current maximum operating expense limit or the maximum operating expense limit in place at the time of the waiver and/or reimbursement. Please refer to the table below for a breakdown of the reimbursements and repayment periods.

<b>Fiscal Year/Period End</b>	<b>Reimbursement Amount</b>	<b>Repayment Date Expiration</b>
September 30, 2023	\$240,819	September 30, 2026
September 30, 2022	\$501,351	September 30, 2025
September 30, 2021	\$480,413	September 30, 2024

# Aspiration Redwood Fund

## Notes to Financial Statements

As of September 30, 2023

### Sub-Advisor

UBS Asset Management (Americas) Inc. (the "Sub-Advisor") is responsible for management of the Fund's investment portfolio according to the Fund's investment objective, policies, and restrictions. The Sub-Advisor is subject to the authority of the Board of Trustees and oversight by the Advisor. The Sub-Advisor is entitled to receive an annual sub-advisory fee, paid by the Advisor – not the Fund – for advisory services provided to the Fund, according to a formula.

### Distributor

Aspiration Financial, LLC (the "Distributor") serves as the Fund's principal underwriter and distributor. For the fiscal year ended September 30, 2023, the Distributor was not compensated for its services to the Fund.

### 3. Distribution and Service Fees

The Trustees, including a majority of the Trustees who are not "interested persons" of the Trust as defined in the 1940 Act and who have no direct or indirect financial interest in such plan or in any agreement related to such plan, adopted a distribution plan pursuant to Rule 12b-1 of the 1940 Act (the "Plan"). The 1940 Act regulates the manner in which a regulated investment company may assume expenses of distributing and promoting the sales of its shares and servicing of its shareholder accounts. The Plan provides that the Fund may incur certain expenses, which may not exceed 0.25% per annum of the average daily net assets of the Investor Class Shares for each year elapsed subsequent to adoption of the Plan, for payment to the Distributor and related offering costs. For the fiscal year ended September 30, 2023, the Fund did not incur any distribution and service fees.

### 4. Purchases and Sales of Investment Securities

For the fiscal year ended September 30, 2023, the aggregate cost of purchases and proceeds from sales of investment securities (excluding short-term securities) were as follows:

<u>Purchases of Non-U.S. Government Securities</u>	<u>Proceeds from Sales of Non- U.S. Government Securities</u>	<u>Purchases of U.S. Government Securities</u>	<u>Proceeds from Sales of U.S. Government Securities</u>
\$ 40,418,127	\$ 43,361,673	\$ -	\$ -

### 5. Federal Income Tax

Distributions are determined in accordance with Federal income tax regulations, which differ from GAAP, and, therefore, may differ significantly in amount or character from net investment income and realized gains for financial reporting purposes. The general ledger is adjusted for permanent book/tax differences to reflect tax character but is not adjusted for temporary differences.

Management has reviewed the Fund's tax positions to be taken on the federal income tax returns for the fiscal years ended September 30, 2020 through September 30, 2023 and determined that the Fund does not have a liability for uncertain tax positions. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the fiscal year ended September 30, 2023, the Fund did not incur any interest or penalties.

Distributions during the years ended were characterized for tax purposes as follows:

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Ordinary Income	\$1,123,921	\$11,195,211
Capital Gains	\$1,888,594	\$3,309,003
Total Distributions	\$3,012,515	\$14,504,214

# Aspiration Redwood Fund

## Notes to Financial Statements

As of September 30, 2023

At September 30, 2023, the tax-basis cost of investments and components of accumulated deficit were as follows:

Cost of Investments	<u>\$111,921,894</u>
Gross Unrealized Appreciation	58,209,366
Gross Unrealized Depreciation	<u>(37,059,269)</u>
Net Unrealized Appreciation (Depreciation)	21,150,097
Undistributed Net Investment Income	650,312
Short Term Capital Loss Carryforward	(1,472,480)
Long Term Capital Loss Carryforward	<u>(1,939,051)</u>
Accumulated Deficit	<u>\$ (2,761,219)</u>

### *Capital Loss Carryforwards*

Accumulated capital losses noted above represent net capital loss carryovers as of September 30, 2023, that are available to offset future realized capital gains, if any, and thereby reduce future taxable gain distributions. The capital loss carryforwards have no expiration date.

### **6. Beneficial Ownership**

The beneficial ownership, either directly or indirectly, of 25% or more of the voting securities of a fund creates a presumption of control of a fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of September 30, 2023, there were no control persons of the Fund.

### **7. Commitments and Contingencies**

Under the Trust's organizational documents, its officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of business, the Trust entered into contracts with its service providers, on behalf of the Fund, and others that provide for general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund. The Fund expects risk of loss to be remote.

### **8. Subsequent Events**

Olivia Albrecht resigned as an Officer of the Trust effective September 28, 2023. Tim Newell replaced Ms. Albrecht as the President and Principal Executive Officer of the Trust.

Matthew Bergin resigned as the Treasurer and Principal Accounting Officer of the Trust effective September 28, 2023. Samantha Lovell replaced Mr. Bergin as the Treasurer and Principal Accounting Officer of the Trust.

Effective September 28, 2023, Matthew Bergin began serving as the Principal Financial Officer of the Trust.

Effective November 17, 2023, Norton Rose Fulbright resigns as counsel to the independent trustees of the Redwood Fund.

Effective November 22, 2023, Chuck Dags resigned as Chairman and Independent Trustee of the Redwood Fund.

Alexandra Horigan resigned as an Interested Trustee to the Aspiration Funds effective March 15, 2023. Effective November 25, 2023, Alexandra Horigan was reinstated as an Interested Trustee to the Aspiration Funds.

In accordance with GAAP, management has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date of issuance of these financial statements. Management has concluded there are no additional matters, other than those noted above, requiring recognition or disclosure.



# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

## To the Board of Trustees and Shareholders of the Aspiration Redwood Fund

### Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of the Aspiration Redwood Fund (the “Fund”), including the schedule of investments, as of September 30, 2023, the related statement of operations for the year then ended, the statements of changes in net assets and financial highlights for each of the two years in the period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2023, the results of its operations for the year then ended, the changes in its net assets and the financial highlights for each of the two years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The financial highlights for each of the three years in the period ended September 30, 2021 have been audited by other auditors, whose report dated November 29, 2021 expressed unqualified opinion on such financial statements and financial highlights.

### Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the Fund’s auditor since 2022.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of September 30, 2023 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

*Tait, Weller & Baker LLP*  
**TAIT, WELLER & BAKER LLP**

**Philadelphia, Pennsylvania**  
**November 29, 2023**

# Aspiration Redwood Fund

## Additional Information (Unaudited)

As of September 30, 2023

### 1. Proxy Voting Policies and Voting Record

A copy of the policies and procedures used to determine how to vote proxies relating to portfolio securities of the Fund is included as Appendix A to the Fund's Statement of Additional Information and is available, without charge, upon request, by calling 800-683-8529, and on the website of the Securities and Exchange Commission ("SEC") at <http://www.sec.gov>. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling the Fund at the number above and (2) on the SEC's website at <http://www.sec.gov>.

### 2. Quarterly Portfolio Holdings

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT. The Fund's Form N-PORT is available on the SEC's website at <http://www.sec.gov>. You may also obtain copies without charge, upon request, by calling the Fund at 800-683-8529.

### 3. Tax Information

We are required to advise you within 60 days of the Fund's fiscal year-end regarding federal tax status of certain distributions received by shareholders during each fiscal year. The following information is provided for the Fund's fiscal year ended September 30, 2023.

During the fiscal year, the Fund paid \$1,123,977 in income distributions and \$1,888,538 in long-term capital distributions.

Dividend and distributions received by retirement plans such as IRAs, Keogh-type plans, and 403(b) plans need not be reported as taxable income. However, many retirement plans may need this information for their annual information meeting.

### 4. Schedule of Shareholder Expenses

As a shareholder of the Fund, you incur ongoing costs, including management fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the fiscal period from April 1, 2023, through September 30, 2023.

**Actual Expenses** – The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (e.g., an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes** – The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Value 4/1/2023	Ending Value 9/30/2023	Expense Paid During Period*	Annualized Expense Ratio*
Actual	\$1,000.00	\$1,029.70	\$3.15	0.62%
Hypothetical	1,000.00	1,021.96	3.14	0.62%

\*Expenses are equal to the average account value over the period multiplied by the Fund's annualized expense ratio, multiplied by the number of days in the most recent period, divided by the number of days in the fiscal year (to reflect the six month period).

### 5. Information about Trustees and Officers

The business and affairs of the Fund and the Trust are managed under the direction of the Board of Trustees of the Trust. Information concerning the Trustees and officers of the Trust and Fund is set forth below. Generally, each Trustee and officer serves an indefinite term or until certain circumstances such as their resignation, death, or otherwise as specified in the Trust's organizational documents. Any Trustee may be removed at a meeting of shareholders by a vote meeting the requirements of the Trust's organizational documents. The Statement of Additional Information of the Fund includes

# Aspiration Redwood Fund

## Additional Information (Unaudited)

As of September 30, 2023

additional information about the Trustees and officers and is available, without charge, upon request by calling the Fund at 800-683-8529. The address of each Trustee and officer, unless otherwise indicated below, is 116 South Franklin Street, Rocky Mount, North Carolina 27804. The Independent Trustees received aggregate compensation of \$155,064 during the fiscal year ended September 30, 2023, from the Fund for their services to the Fund and Trust.

Name, Age and Address	Position held with Funds or Trust	Length of Time Served	Principal Occupation During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
<b>Independent Trustees</b>					
David L. Kingsdale (1963) 116 South Franklin Street Rocky Mount, NC 27804	Chairman and Independent Trustee	Trustee since 10/2014, Chairman since 11/2023	Chief Executive Officer of Millennium Dance Media, LLC since 2010; Principal of DLK, Inc. (media consulting agency) since 2005; Principal of King's Ransom, LLC (mergers and acquisitions) 06/2021-present; Head of Acquisitions, Acceleration LLC, 05/2018-05/2021.	1	The Giving Back Fund (nonprofit sector); Prime Access Capital (financial services).
Coby A. King (1960) 116 South Franklin Street Rocky Mount, NC 27804	Independent Trustee	Since 01/2016	President and Chief Executive Officer of High Point Strategies, LLC (Public Affairs Consulting) since 2013.	1	Treasurer of the Board, Valley Industry & Commerce Association (VICA).
Alexandra Horigan (1983) 116 South Franklin Street Rocky Mount, NC 27804	Interested Trustee	Since 08/2017	Vice President of Strategic Initiatives of Aspiration Partners, Inc. since 2018; Vice President of Operations of Aspiration Partners, Inc. (2012-2018).	1	None

Name and Date of Birth	Position held with Funds or Trust	Length of Time Served	Principal Occupation During Past 5 Years
<b>Officers</b>			
Tim Newell (1960) 116 South Franklin Street Rocky Mount, NC 27804	President and Principal Executive Officer	Since 09/2023	Chief Operating Officer, Aspiration Fund Adviser, LLC (November 2022 – present). Previously, Chief Innovation Officer, Aspiration Fund Adviser, LLC (April 2022 – October 2022); President, QuoVadis Technologies (April 2019 – April 2022); Director, Financial Products, Tesla (February 2017 – April 2019).
Samantha Lovell (1983) 116 South Franklin Street Rocky Mount, NC 27804	Treasurer and Principal Accounting Officer	Since 09/2023	Senior Director FP&A, Aspiration Fund Adviser, LLC (July 2022 – present). Previously, Director FP&A, Aspiration (February 2022 – July 2022); Senior Finance Business Partner, BT (July 2017 – February 2022).
Matthew Bergin (1970) 116 South Franklin Street Rocky Mount, NC 27804	Principal Financial Officer	Since 09/2023	Chief Executive Officer and Principal Operations Officer, Aspiration Financial, LLC (March 2021 – present). Previously, President and Chief Executive Officer, Ustocktrade Securities, Inc. (December 2016 – July 2020).
Douglas Tyre (1980) 116 South Franklin Street Rocky Mount, NC 27804	Chief Compliance Officer	Since 12/2020	Senior Principal Consultant, ACA Group (May 2022 – Present). Previously, Compliance Director, Foreside Group (April 2022 – May 2022); Compliance Director, Cipperman Compliance Services, LLC (07/2019 – April 2022); Assistant Compliance Director, Cipperman Compliance Services, LLC (2018 – 2019).
Tracie A. Coop (1976) 116 South Franklin Street Rocky Mount, NC 27804	Secretary	Since 12/2019	General Counsel, The Nottingham Company since 2019; Vice President and Managing Counsel, State Street Bank and Trust Company from 2015 to 2019.

**Aspiration Redwood Fund  
is a series of  
The Aspiration Funds**

**For Shareholder Service Inquiries:**

Nottingham Shareholder Services  
116 South Franklin Street  
Post Office Box 69  
Rocky Mount, North Carolina 27802-0069

**Telephone:**

800-773-3863

**World Wide Web at:**

[ncfunds.com](http://ncfunds.com)

**For Investment Advisor Inquiries:**

Aspiration Fund Adviser, LLC  
4551 Glencoe Avenue  
Marina Del Rey, CA 90292

**Telephone:**

800-683-8529

**World Wide Web at:**

[aspiration.com](http://aspiration.com)