

CEDAR HILL ASSOCIATES, LLC

Investment Manager



120 South LaSalle Street
Chicago, Illinois 60603
Phone: (312) 445-2900
Fax: (312) 445-2901

www.cedhill.com

ADV II DISCLOSURE BROCHURE

Neither the Securities and Exchange Commission nor the securities regulatory authority of any state, nor any other regulatory or self-regulatory authority or body, has passed upon the adequacy or accuracy of this disclosure brochure, made any recommendation, approved or disapproved any of the investments described or the qualifications of the investment advisor. Registration with a regulatory body does not imply a certain level of skill or training.

March 2013



Material Changes 2012 – Year in review summary

1. Cedar Hill's preferred custodian since 1984, Mesirow Financial, Inc., sold their clearinghouse business in late 2011, mandating a move to another custodian for all client accounts custodied at Mesirow. Cedar Hill selected RBC Capital Markets, LLC as the new custodian and the process of moving accounts from Mesirow to RBC began in July 2012. At year-end, the majority of accounts had completed transferring assets to RBC as custodian.
2. Unless otherwise directed in writing, our firm now uses broker-dealer, RBC Advisor Services (RBC), an division of RBC Capital Markets, LLC.
3. A heightened regulatory environment in 2012 for financial advisors included increased reporting obligations to regulatory agencies, new stringent anti-money laundering procedures, and increased investor documentation requirements for Cedar Hill's clients. Regulators expect the additional authorizations and documents clients are requested to provide will increase protection for investor assets.
4. Cedar Hill's proprietary fund Phoenix Master Fund, LP and its feeder funds Phoenix Fund, LP and Phoenix Offshore Fund, LP are being liquidated and wound down as of year-end 2012. As of January 1, 2013, no further management fees will be charged to Phoenix investors by the Fund during the wind-down period which is expected to conclude in August 2013.
5. Structured Finance Opportunity Fund, LP, another proprietary fund, continues the process of winding down and liquidating all underlying assets. Distributions began in 2010 and, cumulatively, 72 percent of the assets were distributed by year-end 2012. As of January 1, 2013, the management fee has been decreased to 0.25% percent annually.
6. Personnel Responsibilities and Certifications:
 - Cedar Hill's President Alan Cole gained the title of Chief Investment Officer.
 - Joel Jastromb continues as Cedar Hill's Chairman and serves on Cedar Hill's Board. MB Financial Bank purchased his shares in 2012.
 - Robin Patinkin added the certification of Chartered Financial Analyst (CFA) to her credentials.
 - Asha Goldstein achieved the professional designation of Certified Financial Planner (CFP®).

Cedar Hill has made no other material changes to structure, personnel, or operations.



Item 1 – Cover Page	1
Item 2 – Material Changes 2012	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	11
Item 6 – Performance-Based Fees and Side-by-Side Management	12
Item 7 – Types of Clients	13
Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss	13
Item 9 – Disciplinary Events	14
Item 10 – Other Financial Industry Activities and Affiliations	14
Item 11 – Code of Ethics, Participation in Client Transactions, and Personal Trading	15
Item 12 – Brokerage Practices	15
Item 13 – Review of Accounts	16
Item 14 – Client Referrals and Other Compensation	17
Item 15 – Custody	17
Item 16 – Investment Discretion	17
Item 17 – Voting Client Securities	18
Item 18 – Financial Information	18
Additional Information	18



Item 4 – Advisory Business

Wealth Management Services

As trusted advisors, we provide investment supervisory services and specialize in building sound, long-term plans for wealth management.

Our in-depth knowledge of today's investing climate, along with a unique mix of dedication and experience, helps Cedar Hill serve the investment needs of high net worth individuals and their families, foundations, and endowments.

Preserving Capital – We recognize how difficult it is to accumulate personal wealth. Capital preservation is paramount as we construct client portfolios.

Customizing Portfolios – We establish a shared vision of each client's objectives, constraints, and risk tolerances and note any restrictions a client may impose on certain securities or types of securities. A personalized Investment Policy Statement and asset allocation strategy is then crafted.

Managing Risk through Diversification – Asset allocation seeks to lower risk through diversification. We identify a client's liquidity and income requirements, then build portfolios from a broad base of investments that have different anticipated returns.

Maximizing Tax Efficiency – Our portfolio managers work with client accountants and estate planning attorneys to maximize after-tax returns and promote efficient inter-generational transfer of wealth.

Offering a Larger Investment Universe – The ever-changing investment landscape requires that we continuously seek opportunities. Our expertise and access allow us to offer quality alternative investments that have the potential to generate positive returns with low correlation to traditional investments, and lower overall volatility. When appropriate, we recommend investment opportunities in natural resources, private equity, real estate, and other non-traditional investments.

Our Client Base – As of year-end 2012, we have the privilege of managing client assets of \$1,090,127,144, including Cedar Hill's private funds.



Managing Core Equity Investments

Through a rigorous process based upon in-depth analysis, Cedar Hill constructs a diversified portfolio of companies that have attractive growth prospects relative to valuation, or are undervalued relative to their net asset value. Cedar Hill evaluates companies based on quantitative metrics as well as qualitatively assessing corporate management, business strategy and macro factors impacting the industry. Importantly, Cedar Hill analyzes an investment's risk before addressing the potential return opportunity.

We focus on a company's profitability, financial resources, market position, and the track record of the management team. Additionally, we assess the competitive landscape within the industry, identifying key macro trends as well as economic, political, and regulatory risks. We determine valuation by using internally generated earnings and cash flow projections.

Price targets are developed for each company in the portfolio and reassessed based on business and economic trends. Portfolio positions are eliminated when one of three conditions occurs:

1. the company's stock has met our price objective, or
2. another position offers better risk/reward characteristics, or
3. deterioration in the business or industry has made the company susceptible to a permanent impairment.

By creating a diversified portfolio of attractive companies, and performing thorough analysis throughout the life cycle of each investment, our Core Equity Portfolio is designed to produce sound, risk-adjusted returns.

Managing Fixed Income Investments

Fixed income securities represent a highly liquid investment vehicle for producing income and relative safety of principal, while providing some diversification to equity investments.

For taxable accounts, municipal bonds may offer attractive after-tax income, as most issues are exempt from federal income tax. Additionally, some issues provide state tax exemption, depending upon state of residence. For tax deferred/exempt accounts, a diversified portfolio generally consists of corporate and government bonds, as well as asset-backed securities. Prior to selecting individual securities, we analyze general economic trends and the prevailing supply/demand for newly issued securities. This information is important in considering short- and long-term changes in interest rates,



as well as shifts in the yield curve, which charts the relationship between interest rates and time to maturity of similar securities. We then construct a diversified portfolio of bonds consistent with this outlook.

Our bond portfolios represent high credit quality, short to intermediate maturities and are diversified by issuer. Our domestic and international fixed income selection process engages economic analysis, yield curve assessment, security selection through numerous channels to identify securities and continuous review of portfolios.

Alternative Investment Strategies

We advise clients on suitable interests in limited partnerships and publicly traded securities investing in hedge funds, private equity, oil and natural gas resources, real estate and specialty finance. Our proprietary limited partnerships are:

1. Paragon Master Fund, LP and Paragon QP Master Fund, LP, event-driven hedge funds of funds,
2. Phoenix Master Fund, LP, a long-short equity fund of funds,
3. Cedar Hill Partners I, LLC, private equity fund of funds,
4. Cedar Hill Partners II, LLC, private equity funds of funds,
5. Cedar Hill Actis Emerging Markets Fund, LLC, an emerging markets private equity fund,
6. RLF Opportunity Fund, LLC, a natural resources private equity fund,
7. Cedar Hill MAP 2009, LLC, a natural gas and wind royalty income fund,
8. Cedar Hill Global Asset Fund, LLC, a private real estate fund of funds, and
9. Structured Finance Opportunity Master Fund, LP, a specialty finance fund of funds.

Our proprietary alternative investment funds are described on pages 7-10.

We employ non-traditional investments to complement conventional equity and fixed income portfolios for qualified clients. Promoting diversification of investments is important to our strategy. Opportunities for qualified clients may include, but are not limited to, the following strategies:

Event Driven and Relative Value Strategies strive for capital appreciation through the allocation of assets among a select group of investment managers, consisting of distressed securities, credit exposure, capital structure arbitrage, merger arbitrage, long/short equity, and special situations.

Private Equity Strategies pursue non-public investments offering return possibilities through capital appreciation in domestic, international, and emerging markets.



Opportunities include, but are not limited to, middle market buyouts, growth capital, distressed securities, energy, financial services, and properties rich in natural resources.

Natural Resource Strategies seek to capitalize on the cyclical and secular outlook for oil, natural gas, land, and commodities, among others.

Real Estate investments include income producing and value added properties identified on an opportunistic basis.

Specialty Finance Strategies strive for appreciation of assets held by a select group of specialty finance companies and individual investments. Opportunities may include financing of:

- assets owned by manufacturers and distributors (asset based financing),
- real estate refinancing, and
- secured loans.

Cedar Hill's Proprietary Limited Partnerships and Fees

Cedar Hill Associates, LLC is the Investment Manager for and advises the following limited partnerships and limited liability companies:

1. *Paragon Master Fund, LP* and its two investor funds, *Paragon Fund, LP* and *Paragon Offshore Fund (BVI), Ltd.* and ***Paragon QP Master Fund, LP*** and its two investor funds *Paragon QP Fund, LP* and *Paragon QP Offshore Fund (BVI), Ltd.*

Paragon strives to achieve capital appreciation through the allocation of assets among a select group of investment managers. Paragon focuses on the following event-driven and relative value strategies:

- distressed securities – securities trading at a significant discount to value when issued,
- credit exposure – loans and bonds that are perceived to be mispriced,
- capital structure arbitrage – advantageous price difference between two levels of securities in the same company,
- merger arbitrage – value of shares to be acquired vs. value of shares of the acquiring company, adjusted for probability of the transaction closing,
- long/short equity – own undervalued companies and short overvalued securities, and,
- special situations.



These strategies attempt to capitalize on market inefficiencies and price anomalies in the domestic and international markets.

Cedar Hill Associates, LLC receives a quarterly administration fee at the rate of 1% per year of the Funds' Net Asset Values (NAVs). If notice is given by September 30, funds may be withdrawn annually, effective December 31.

R Squared, LLC (owned by Cedar Hill Associates), the General Partner of Paragon Master Fund, LP and Paragon Fund, LP, and also the equivalent 3(c)(7) funds Paragon QP Master Fund, LP and Paragon QP Fund, LP, succeeded R Squared, Inc. R Squared, LLC is a commodity pool operator registered with the National Futures Association. R Squared, LLC receives 1% of the profits and losses of Paragon Fund, LP and Paragon QP Fund, LP; those interests remain invested in the respective funds. Paragon Offshore Fund (BVI), Ltd. and Paragon QP Offshore Fund (BVI), Ltd. pay the Investment Manager 1% of any net new profits of each Share's Net Asset Value (NAV) for any calendar year as long as the Share's NAV exceeds the highest previous valuation (high-water mark).

2. *Phoenix Master Fund, LP* and its two investor funds, *Phoenix Fund, LP* and *Phoenix Offshore Fund (BVI), Ltd.*

Phoenix focuses on global equity long/short investment managers who add value through selecting stocks and adjusting market exposure levels. These strategies capitalize on market inefficiencies and pricing anomalies in global equity markets.

The Fund is in process of winding down and as Phoenix receives investment proceeds, liquidating distributions are made to investors. As of January 1, 2013, no further management fees will be charged to Phoenix investors by the Fund during the wind-down period which is expected to conclude in August 2013.

3. *Cedar Hill Partners I, LLC* invests in non-public funds and transactions that have the opportunity to produce returns through capital appreciation.

Investments are concentrated in energy, resource rich properties, financial institutions, growth equity, and companies undergoing structural and/or organizational changes.

Distributions (including liquidating distributions) are made to Investor Members in proportion to their percentage interests, until the cumulative amount distributed is equal to the Investor Members' capital contributions. After all invested capital has been returned to investors, distributions are allocated proportionately:

- 90% to the Investor Members, and
- 10% to the Managing Member, Cedar Hill Partners I Holdings, LLC.



The 10% allocation is held as an interest in the fund (carried interest) and the Managing Member receives no other compensation than distributions of its carried interest. Investor funds cannot be withdrawn until the partnership terminates.

4. Cedar Hill Partners II, LLC invests in non-public funds and transactions that have the opportunity to produce returns through capital appreciation.

Investments are concentrated in emerging markets, buyouts, distressed situations, growth equity, and energy.

Distributions (including liquidating distributions) are made to Investor Members in proportion to their percentage interests, until the cumulative amount distributed is equal to the Investor Members' capital contributions. After all invested capital has been returned to investors, distributions are allocated proportionately:

- 90% to the Investor Members, and
- 10% to the Managing Member, Cedar Hill Partners II Holdings, LLC.

The Managing Member receives no compensation other than its distributions of its carried interest. Investor funds cannot be withdrawn until the partnership terminates.

5. Cedar Hill Actis Emerging Markets Fund, LLC is a special purpose vehicle investing through a pan-emerging markets private equity fund which invests in non-public companies across India, China, Latin America, Africa, and Southeast Asia.

After all invested capital has been returned to investors, 90% of distributions are allocated proportionately to the Investor Members and 10% to the Managing Member, Cedar Hill Associates. The Investment Manager receives no compensation other than distributions with respect to its carried interest. Investor funds cannot be withdrawn until the partnership terminates.

6. RLF Opportunity Fund, LLC is a special purpose vehicle investing via a fund concentrating on resource rich properties, including agriculture, mining, and timber. RLF pays Cedar Hill Associates, LLC, an annual fee equal to 1% of the assets invested as of January 1 of that year, in exchange for its services to the fund, payable in equal quarterly installments in advance. Fees are paid from cash available from operations. Investor funds cannot be withdrawn until the partnership terminates.

7. Cedar Hill MAP 2009, LLC is a special purpose vehicle whose sole investment was made to a fund investing in natural gas and wind royalty income properties. The company secures mineral and land rights that generate current income and it is expected to benefit from the growth in drilling and wind turbine power generation in the U.S.



The LLC pays Cedar Hill Associates a quarterly management fee in arrears, equal to 1% annually of each Member's cumulative capital contributions reduced by each Member's pro rata share of permanent write-downs to the investment value. Except for this management fee, the Manager will not be paid any compensation by Cedar Hill MAP 2009. Investor funds cannot be withdrawn until the partnership terminates.

8. *Cedar Hill Global Asset Fund, LLC (CHGAF)* invests in private real estate investments. The Fund seeks to achieve an attractive rate of return by making investments in privately financed limited partnerships, limited liability companies and other entities sponsored by third parties which acquire, develop, construct, renovate, own, manage, lease, sell, or finance residential (apartments and condominiums), industrial, retail, hospitality, office or other commercial real estate.

CHGAF pays a quarterly management fee to Cedar Hill Associates in exchange for its services. The fee is equal to 1% annually of each Member's capital contributions reduced by (i) return of capital distributions and (ii) Member's pro rata share of permanent write-downs in value of Fund investments. Except for this management fee, the Manager will not be paid any compensation by CHGAF. Investor funds cannot be withdrawn until the partnership terminates.

9. *Structured Finance Opportunity Master Fund, LP* and Structured Finance Opportunity Fund, LP attempt to achieve capital appreciation by allocating assets among a select group of specialty finance companies and related opportunities. Investments include receivable financing, asset based financing, real estate financing, secured loans and other types of specialty finance opportunities.

Cedar Hill Associates, LLC receives a quarterly administration fee at the reduced rate of 0.25% per year of the Fund's NAV, effective January 1, 2013. The Fund is in process of winding down and, as Structured Finance receives investment proceeds, liquidating distributions are made to investors.



Item 5 – Fees and Compensation

We provide investment management services that encompass equities, fixed income and alternative investments. Our fees are based on a percentage of assets under management and our fee schedules are as follows:

Equity and balanced accounts including non-proprietary alternative investments

Amount of Assets	Annual % Fee
First \$2,500,000	1.000%
Next \$7,500,000	0.500%
Next \$15,000,000	0.400%
Thereafter	Negotiable

Fixed income only portfolios

Amount of Assets	Annual % Fee
First \$5,000,000	0.500%
Next \$5,000,000	0.375%
Next \$10,000,000	0.250%
Thereafter	Negotiable

Mutual funds advisory accounts

Amount of Assets	Annual % Fee
First \$500,000	0.800%
Thereafter	0.600%

Charitable organizations receive a 10% discount off our stated fee schedule.

Our fees are for investment management under an advisory agreement and include investment and reinvestment of funds and periodic reports of assets and security transactions. The annual fee is applied to the total market value of all assets (excluding proprietary funds), including cash under management. Fees are calculated at the end of each calendar quarter and are payable quarterly in advance for the following quarter. Clients may authorize fees to be deducted from their accounts or choose to pay their fees directly to Cedar Hill upon receipt of a quarterly invoice.

The client may terminate the advisory agreement within five days of initiating the agreement and, thereafter, within 30 days written notice. Quarterly fees already paid to Cedar Hill will be prorated to the date investment services are terminated and refunded.



All fees paid to Cedar Hill are in addition to brokerage and custody fees and other fees and expenses clients incur in assets supervised by, but not managed by Cedar Hill. These assets include separate accounts managed by other managers, limited partnerships, ETFs, closed end funds, and no-load mutual funds. Fees and expenses are described in the respective investment management agreements, offering memorandums, subscription agreements, and mutual fund prospectuses. These fees generally include an investment management fee, expense reimbursement, performance fees (in limited partnerships) and, in the case of mutual funds, may include distribution fees. We do not use funds that impose either initial or deferred sales charges. Cedar Hill does not receive brokerage commissions or any portion of fees and expenses paid to other managers, limited partnerships, or mutual funds.

As a courtesy to certain clients, we will, on occasion, arrange to process securities transactions for “Friends and Family” accounts. These transactions are non-discretionary in nature and not subject to continuous and regular supervisory or management services. We do not have ongoing responsibility to select or make recommendations based upon the needs of the client and we process securities transactions of Friends and Family accounts upon request as an accommodation, without charging an investment management fee.

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

As we’ve discussed in the preceding section on fees and compensation, our management fees are asset and not performance-based. A client may, however, be invested in one of Cedar Hill’s proprietary funds as a part of their portfolio allocation and a conflict of interest exists because some of the funds have a performance fee or allocation directed to Cedar Hill as the investment manager.

Cedar Hill has mitigated any conflict of interest in the management of the funds by employing some of the following constraints:

- allocating both profit and loss to Cedar Hill,
- returning invested capital before Cedar Hill receives any profit allocation, and/or
- investing personal capital into the funds alongside client capital.

Each fund has specific fees or allocations, and differing restrictions on payments to Cedar Hill may be used. Fees or compensation paid to Cedar Hill as manager are fully disclosed in the private offering memorandums provided to qualified potential investors.



Item 7 – Types of Clients

Cedar Hill provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and businesses, and serves as the General Partner or Manager of several proprietary funds of funds.

In general, Cedar Hill's minimum account size is \$1,000,000.

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

Our investment methodology is rooted in fundamental analysis, which involves analyzing a company's past and current financial performance to make assumptions about its future prospects. We complement our quantitative and qualitative analysis of individual companies with a broader assessment of macroeconomic and industry trends that could influence each entity's performance. The information is used to generate earnings and cash flow projections for each security to determine its appropriate valuation.

We believe our analytical approach helps us to identify companies with attractive growth prospects relative to valuation or those trading at a significant discount to intrinsic value, allowing us to purchase securities at a cost that provides the potential for substantial price appreciation. However, there is a risk that our analysis process could lead us to overestimate the value of a company and purchase the underlying security at a price above its intrinsic value. In such an instance, the investor would suffer a financial loss equal to the difference between what was originally paid for a security and the price for which it was later sold. If the value of a particular security declined to zero, the investor would lose the entire value of the investment.

Investment strategies used to implement Cedar Hill's investment advice include long- and short-term purchases, but our view is long term and we do not participate in day trading. We disclose relevant risks to clients considering specific investment strategies.

Investments chosen for a client's portfolio may include the following:

- Equity Securities – exchange listed, over the counter, foreign issues,
- Option contracts on securities (no commodity contracts),
- Warrants,
- US Government and international fixed income securities,
- Corporate debt securities and commercial paper,
- Mortgage-backed securities,
- Municipal securities,
- Partnerships – real estate, oil and gas interests, private equity, venture capital, and
- Proprietary partnerships – funds of funds and special purpose vehicles.



Item 9 – Disciplinary Events

Cedar Hill Associates, LLC has no pending disciplinary actions or any history of disciplinary actions by any regulatory agency.

Item 10 – Other Financial Industry Activities and Affiliations

Cedar Hill Associates, LLC and R Squared, LLC (successors to Cedar Hill Associates, Inc. and R Squared, Inc.) are registered with the National Futures Association as Commodity Pool Operators (CPO) and have been assigned the following pool exemptions:

- | | |
|-------------------------------------------|------------|
| • Paragon Master Fund, LP | 4.13(a)(3) |
| • Paragon Fund, LP | 4.13(a)(3) |
| • Paragon Offshore Fund (BVI), Ltd. | 4.13(a)(3) |
| • Paragon QP Master Fund, LP | 4.7 |
| • Paragon QP Fund, LP | 4.7 |
| • Paragon QP Offshore Fund (BVI), Ltd. | 4.7 |
| • Phoenix Master Fund, LP | 4.13(a)(3) |
| • Phoenix Fund, LP | 4.13(a)(3) |
| • Phoenix Offshore Fund (BVI), Ltd. | 4.13(a)(3) |
| • Structured Finance Opportunity Fund, LP | 4.13(a)(3) |

CFTC revisions to exemption rules are pending, and though registration rules may change, our proprietary funds will continue their investment strategies. Cedar Hill, R Squared and the pools do not directly trade any commodities, but underlying investment managers in Paragon, Phoenix, and Structured Finance funds may utilize commodity contracts. Other proprietary funds managed by Cedar Hill do not hold commodities. Investors in Paragon, Phoenix, and Structured Finance Funds do not directly pay any commodity brokerage fees, as any fees incurred are expenses of the underlying investment.

MB Financial Bank, NA, a National Bank, is the majority member of Cedar Hill Associates, LLC. Mitchell S. Feiger, Jill E. York, and Brian J. Wildman are Executive Officers of MB Financial Bank, NA, Board of Managers for Cedar Hill Associates, LLC.



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

All personnel of Cedar Hill Associates, LLC have a fiduciary duty to place the interests of clients ahead of their own and ahead of the interests of the firm. Cedar Hill personnel must avoid activities, interests and relationships that might interfere with making decisions in the best interests of the clients and every person at Cedar Hill is required to annually certify their compliance with the firm's Code of Ethics. A copy of the Code is available to clients or prospective clients of the firm upon written request.

Cedar Hill personnel may recommend to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest. Our employees also may buy or sell securities that we recommend to clients.

We mitigate the potential conflict of interest by requiring all Cedar Hill personnel to have personal or related persons transactions approved by Cedar Hill's President or Chairman prior to execution. Cedar Hill personnel may not trade in an exchange traded or listed security (excluding bonds or mutual funds) on the same day that the security has been traded in a client's account. Employees of Cedar Hill Associates, LLC are not allowed to participate in initial public offerings.

Item 12 – Brokerage Practices

Unless otherwise directed in writing, our firm uses an unaffiliated broker-dealer, RBC Advisor Services (RBC), an division of RBC Capital Markets, LLC, a Minnesota limited liability company – subject to ongoing best execution analysis. Under this Agreement, our clients are charged a flat handling fee of \$7.50 per transaction. We trade for client accounts on an aggregate basis whenever applicable. Though RBC's fee has already been negotiated and aggregate practices will not achieve any volume transaction discount, clients benefit from aggregate trades by receiving an average cost per share preventing any conflicts of one client realizing a more favorable purchase or sale price than another client.



We monitor whether or not we are receiving best execution based upon quarterly reports RBC provides, which include both a summary and our actual best execution statistics. We review these reports on a quarterly basis to determine if RBC is fulfilling their duty to provide best execution, and if not, we would reevaluate the program. Clients, however, are free to choose the broker-dealer of their choice in connection with their securities transactions. By designating a specific broker, the client may or may not receive best execution and/or the commission discount may or may not be favorable.

We pay cash for the research we use and do not engage in soft dollar transactions.

Item 13 – Review of Accounts

Accounts are formally reviewed on a rotating basis by at least three members of the firm, including:

- Alan Cole, President/Chief Investment Officer,
- Chris Engelman, Managing Director,
- Robin Patinkin, Principal/ Client Services,
- Dan Jones, Principal/Client Services,
- Asha Goldstein, Principal/Client Services, or
- Debbi Frenzel, Principal/Operations.

Cedar Hill reviews portfolios to insure that we comply with the objectives and guidelines for asset allocation which we have agreed upon with our client. A client's written investment policy statement includes return objectives, risk tolerance, time horizons, income and liquidity needs, tax, estate, and legal considerations, and unique circumstances.

We make ongoing investment decisions in response to changes in the attractiveness of securities in the market and the economic environment. In addition, Cedar Hill reviews portfolios with clients in periodic meetings to determine if their investment objectives or financial circumstances have changed.

Clients receive formal printed quarterly reviews of their accounts. The reports list each portfolio holding under appropriate asset class and provide the following information:

- Summary cover sheet
- Security – name, quantity, average unit cost, average dollar cost, current value, current market price, percentage holding of portfolio, indicated income and yield
- Time-weighted rates of return compared to appropriate benchmarks



Item 14 – Client Referrals and Other Compensation

We have arrangements with investment and professional services firms under which we remit a portion of our investment management fee for client referrals. Such arrangements are in compliance with Rule 206(4)-3 under the Investment Advisers Act of 1940.

A conflict of interest exists between the solicitors' referral of clients to us and their receipt of fees for such referral and the conflict is fully disclosed to clients.

Item 15 – Custody

Cedar Hill's clients must have their securities held by a qualified custodian such as a bank, a clearing house, or a broker-dealer, and receive statements directly from the custodian. Cedar Hill cannot act as custodian for client assets.

As the General Partner or Manager for several proprietary funds, Cedar Hill is required to comply with Rule 206(4)-2, known as the Custody Rule. Per the Rule, pooled (multiple investor) funds of funds must have audited financial statements completed by an independent auditor as of June 30. If audited financial statements are not available by June 30, the fund must have a surprise custody audit by an independent auditor and also have statements of the fund's assets distributed quarterly by a qualified custodian. A fund's custodian is not required to send reports of each investor's net asset value.

Cedar Hill has complied with the Custody Rule by having independent audits completed by June 30 for each of its proprietary funds.

Quarterly, Cedar Hill provides its clients with a report of their portfolio holdings, transactions, and performance. We suggest our clients compare fund reports received from Cedar Hill with the reporting by the qualified custodian.

Item 16 – Investment Discretion

Our traditional equity and fixed income business is on a discretionary basis, i.e., the ability to buy and sell without prior consultation on the transactions. Clients sign a written investment management agreement to establish an account with Cedar Hill, prior to engaging in any transaction with us. Cedar Hill and each client agree on objectives and guidelines and create a written investment policy statement, including the type of securities to be traded and respective asset mixes, before we begin managing a client's portfolio.



As part of our wealth management process, Cedar Hill:

- identifies client objectives including financial goals and timelines,
- develops an asset allocation plan to match client goals with risk tolerances,
- implements an asset allocation strategy designed specifically for each client, and
- monitors and evaluates performance to validate long-term client goals.

Client objectives and guidelines are reviewed as circumstances warrant. The amounts of securities bought and sold are determined by a client's specific diversification policy in effect at the time. We cannot make discretionary investments in limited partnerships.

Item 17 – Voting Client Securities

Proxy Voting Policy statement: We have adopted and implemented policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with our fiduciary duties and SEC rule 206(4)-6 under the Investment Advisers Act of 1940. In addition to SEC requirements governing advisers, our proxy voting policies reflect the long-standing fiduciary standards and responsibilities for ERISA accounts set out in Department of Labor Bulletin 94-2, 29 C.F.R. 2509.94-2 (July 29, 1994). In general, under terms of our Wealth Management Agreement, we will not vote proxies for clients unless explicitly requested. Voting ERISA client proxies is a fiduciary act of plan asset management that must be performed by Cedar Hill, the advisor, unless the voting right is retained by a named fiduciary of the plan (DOL Bulletin 94-2).

Cedar Hill will provide a copy of these policies and procedures upon written request. These policies and procedures may be updated from time to time.

Item 18 – Financial Information

It is important to our clients to know if Cedar Hill has the financial resources to meet our contractual obligations to our clients

Cedar Hill is a fiscally sound company and has never been the subject of any bankruptcy petition. Two of the greatest financial challenges facing any business are service interruptions resulting from fraud or disaster. At Cedar Hill, we require all personnel to comply with a written code of ethics and our business continuity plans are subject to periodic review and testing. We believe that regular compliance reviews, firm audits, and disaster planning, should help us to mitigate situations potentially detrimental to our ability to provide service to our clients.



ADDITIONAL INFORMATION

Privacy Policy statement: Cedar Hill Associates, LLC has an ongoing commitment to safeguard the unauthorized disclosure of, or access to, nonpublic personal information the Firm acquires about its current clients and potential or former clients. Every precaution, in accordance with federal laws and regulations, is used to limit access to personal information about our clients to those employees or service providers who need to know. In compliance with privacy regulations, Cedar Hill is required to provide an annual notice informing clients of their rights and our obligations as it relates to federal privacy laws, under Regulation S-P, to protect information provided to us. Although we reserve the right to change our privacy policy, we will inform our clients of any relevant changes.

Fair Value measurement of alternative investments: Cedar Hill has adopted the Financial Accounting Standards Board (FASB) Statement No. 157 – Fair Value Measurement for all supervised investments held by our clients, including alternative investments such as Cedar Hill’s proprietary funds of funds and special purpose vehicles, or direct ownership of limited partnership interests in hedge funds, private equity funds, energy partnerships, real estate assets, and other illiquid or restricted interests.

Alternative investments are not traded on public exchanges where real-time prices are available. Alternative investments are predominately long-term investment partnerships where pricing and performance are ultimately determined at the wind down of an investment or by a culminating transaction such as the sale of property.

Cedar Hill normally relies upon an investment’s general partner to determine fair value per FASB guidelines in accordance with the investment’s stated pricing methodology and audited GAAP financial statements (Generally Accepted Accounting Principles). Alternative investments are generally designated as Level III assets by GAAP.

When a fair value is not provided or reasonably calculated by the investment’s general partner, Cedar Hill will use its best efforts to determine fair value based on information provided by the investment’s general partner and current market conditions. Estimated fair value of certain investments might not reflect the amount that could be received upon immediate sale, or the amount that ultimately may be realized. Portfolio management fees are calculated as a percentage of a client’s assets under management and include alternatives, but not proprietary fund investments.¹

¹ Note: Cedar Hill’s proprietary fund investments are not included in the calculation of portfolio management fees because there are separate fee structures for each fund.



Alternative investment valuations are typically received from the investment managers between one to three months after quarterly fees have been invoiced. Annually, we review a portfolio's cumulative fees for the calendar year and, should the net value of the portfolio decline as a result of revaluing alternative investments (excluding proprietary funds), Cedar Hill will recalculate the fees and credit a client's account for the difference between fees paid and what would have been paid if fair value information had been available at the time of the original billing cycle.

Cedar Hill will not charge an additional amount to clients for any retroactive increase in fair value which would have resulted in a higher management fees for the portfolio as a whole as determined by the annual fee review. However, going forward, fees calculated per the current schedule, may increase or decrease quarterly in response to changes in fair values.

Cedar Hill's "Alternative Investment Valuation Policy" is available upon client request.

CEDAR HILL ASSOCIATES, LLC

Investment Manager



120 South LaSalle Street Chicago, Illinois 60603

Phone: (312) 445-2900

Fax: (312) 445-2901

www.cedhill.com

SUPPLEMENT TO ADV II DISCLOSURE BROCHURE

This brochure supplement provides information about Cedar Hill Associates' investment personnel that supplements our ADV II disclosure brochure. You should have received a copy of that brochure. Please contact Dawn Keach at 312/445-2900 or dawn.keach@cedhill.com if you did not receive a copy of the brochure or if you have any questions about the content of this supplement.

February 2013

Joel H. Jastromb, CFA¹, CIC², Chairman

Item 2 – Education Background and Business Experience

50 Years Investment Experience	Born 1940
Chairman	2008-Present
Chairman/Chief Investment Officer	2008-2012 Cedar Hill Associates, LLC
Chairman/Chief Investment Officer	2003-2008 Cedar Hill Associates, Inc.
Chief Executive Officer/President	1984-2003 Cedar Hill Associates, Inc.

Joel founded Cedar Hill Associates in 1984. His investment experience is concentrated in strategic analysis with particular emphasis on using economic conditions to identify opportunity. Prior to founding Cedar Hill, Joel was president and chief operating officer of a regional investment firm, where he developed structured investment decision-making processes. He served as a faculty member at Roosevelt University, lecturing on money and banking, economics, and investment analysis. He was also a New York Stock Exchange supervisory analyst and a board member of the Midwest Securities Trust Company and the Teachers' Retirement System of the State of Illinois.

Joel received his bachelor's degree in finance from Roosevelt University and an MBA in finance and statistics from Case Western Reserve University. He is a CFA charterholder and a chartered investment counselor. Joel serves on the board of directors of MB Financial N.A. and the board of trustees of Roosevelt University, and is a member of the CFA Society of Chicago and the Bond Club of Chicago.

Item 3 – Disciplinary Events

There are no legal or disciplinary events with respect to Mr. Jastromb which are material to a client's evaluation of his integrity.

Item 4 – Other Business Activities

Joel does not engage in outside business activities that involve substantial income or time, except on behalf of Cedar Hill and its affiliates.

Item 5 – Additional Compensation

Joel does not receive material economic benefit for advisory services other than those provided to Cedar Hill's clients.

Item 6 – Supervision

Joel, Alan Cole, and Chris Engelman communicate frequently, often daily, with members of Cedar Hill's investment team, to review the status of portfolios in light of client guidelines and objectives, and to provide instructions or guidance concerning transactions for client accounts.



CEDAR HILL
WEALTH MANAGEMENT

¹ The **Chartered Financial Analyst** (CFA) designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a **CFA charterholder** candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA charter holders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

² **Chartered investment counselor** is a professional designation for CFAs who work as investment advisers. In order to qualify as a CIC, one must first become a chartered financial analyst, have at least five years of work experience as an investment adviser or a similar field, and work at a member firm of the Investment Adviser Association.

Alan Cole, CFA¹, CIC², President/Chief Investment Officer

Item 2 – Education Background and Business Experience

18 Years Investment Experience

Born 1965

President/Chief Investment Officer	2012 - present	
President/Portfolio Manager	2008-2012	
Chief Compliance Officer	2008-2010	Cedar Hill Associates, LLC
Chief Compliance Officer	2007-2008	Cedar Hill Associates, Inc.
President	2003-2008	
Chief Operating Officer	2000-2003	
Portfolio Manager	1998-2008	

Alan is responsible for the firm's overall investment strategies and supervising portfolio management activities. Alan's industry experience includes profitability, competitive and acquisition analysis at U.S. Bancorp and Ford Motor Credit Company.

Alan received his Bachelor of Science in mathematics from Vanderbilt University and an MBA in finance and accounting from Indiana University. He is a CFA charterholder, chartered investment counselor and member of the CFA Society of Chicago.

Item 3 – Disciplinary Events

There are no legal or disciplinary events with respect to Mr. Cole which are material to a client's evaluation of his integrity.

Item 4 – Other Business Activities

Alan does not engage in outside business activities that involve substantial income or time, except on behalf of Cedar Hill and its affiliates.

Item 5 – Additional Compensation

Alan does not receive material economic benefit for advisory services other than those provided to Cedar Hill's clients.

Item 6 – Supervision

Alan, Joel Jastromb, and Chris Engelman communicate frequently, often daily, with members of Cedar Hill's investment team, to review the status of portfolios in light of client guidelines and objectives, and to provide instructions or guidance concerning transactions for client accounts.

¹ The **Chartered Financial Analyst** (CFA) designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a **CFA charterholder** candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

² **Chartered investment counselor** is a professional designation for CFAs who work as investment advisers. In order to qualify as a CIC, one must first become a chartered financial analyst, have at least five years of work experience as an investment adviser or a similar field, and work at a member firm of the Investment Adviser Association.



Christopher I. Engelman, CFA¹, Managing Director

Item 2 – Education Background and Business Experience

17 Years Investment Experience

Born 1971

Managing Director	2008-Present	Cedar Hill Associates, LLC
Managing Director	2005-2008	Cedar Hill Associates, Inc.
Principal/Alternative Investments	2003-2004	
Senior Analyst	1999-2003	Asset Consulting Group

Chris evaluates non-traditional investment strategies and identifies and monitors managers and their partnerships. Chris develops customized implementation plans for alternative investments in client portfolios.

Prior to joining Cedar Hill, Chris worked at Asset Consulting Group, assisting family offices in developing asset allocation strategies and evaluating traditional and alternative investment managers. Chris earned a Bachelor of Arts from Gettysburg College and his MBA in finance from Washington University in St. Louis. Chris is a CFA charterholder and member of the CFA Society of Chicago.

Item 3 – Disciplinary Events

There are no legal or disciplinary events with respect to Mr. Engelman which are material to a client's evaluation of his integrity.

Item 4 – Other Business Activities

Chris does not engage in outside business activities that involve substantial income or time, except on behalf of Cedar Hill and its affiliates.

Item 5 – Additional Compensation

Chris does not receive material economic benefit for advisory services other than those provided to Cedar Hill's clients.

Item 6 – Supervision

Chris, Joel Jastromb, and Alan Cole communicate frequently, often daily, with members of Cedar Hill's investment team, to review the status of portfolios in light of client guidelines and objectives, and to provide instructions or guidance concerning transactions for client accounts.

¹ The **Chartered Financial Analyst** (CFA) designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a **CFA charterholder** candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

John Kearney, CFA¹, Senior Research Analyst

Item 2 – Education Background and Business Experience

12 Years Investment Experience

Born 1978

Sr. Research Analyst	2009-Present	Cedar Hill Associates, LLC
Sr. Equity Analyst	2004-2009	Morningstar, Inc.
Associate	2003-2004	Banc One Capital Markets
Investment Analyst	2001-2003	State Farm Insurance Companies

John performs in-depth analytical work on publicly held securities, including strategic and tactical opportunities. His research includes financial modeling and assessing qualitative aspects of the firm's investments.

Prior to joining Cedar Hill, John was a senior equity analyst for Morningstar, Inc. He also worked as an associate at Banc One Capital Markets and as an investment analyst for State Farm Insurance Companies. John holds a Bachelor of Science in finance from the University of Illinois at Urbana-Champaign. He is a CFA charterholder and a member of the CFA Society of Chicago.

Item 3 – Disciplinary Events

There are no legal or disciplinary events with respect to Mr. Kearney which are material to a client's evaluation of his integrity.

Item 4 – Other Business Activities

John does not engage in outside business activities that involve substantial income or time, except on behalf of Cedar Hill and its affiliates.

Item 5 – Additional Compensation

John does not receive material economic benefit for advisory services other than those provided to Cedar Hill's clients.

Item 6 – Supervision

Persons associated with Cedar Hill who determine or give investment advice must have an educational background and/or experience in investment analysis, economics, and the general investment field. Client accounts are reviewed on a periodic, rotating basis by at least three members of the firm to insure compliance with client objectives and guidelines. Cedar Hill persons who provide investment advice are monitored by Joel H. Jastromb/Chairman, Alan Cole/President, and Chris Engelman/Managing Director of Cedar Hill Associates, LLC (312) 445-2900.

¹ The **Chartered Financial Analyst** (CFA) designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a **CFA charterholder** candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.



Robin J. Patinkin, CFA¹, CFP®², Principal

Item 2 – Education Background and Business Experience

19 Years Investment Experience Born 1957

Principal/Client Services	2008-Present	Cedar Hill Associates, LLC
Principal/Client Services	2004-2008	Cedar Hill Associates, Inc.

Robin focuses on client relationship management. She participates in asset allocation formulation, acting as a liaison between investment strategies and client relationships.

Robin has experience in investment management and financial planning and a comprehensive understanding of family interests and issues. Her early career included partnering in a successful privately held business and positions in technology sales and marketing for IBM and AT&T. Robin earned a bachelor's degree in marketing from the University of Illinois at Urbana-Champaign and an MBA from Northwestern University's Kellogg School of Management with a concentration in finance. She has achieved the professional designation of Certified Financial Planner™.

Item 3 – Disciplinary Events

There are no legal or disciplinary events with respect to Ms. Patinkin which are material to a client's evaluation of her integrity.

Item 4 – Other Business Activities

Robin does not engage in outside business activities that involve substantial income or time, except for her participation in a family company which does not impinge on or conflict with her investment responsibilities to Cedar Hill clients.

Item 5 – Additional Compensation

Robin does not receive material economic benefit for advisory services other than those provided to Cedar Hill's clients and participation in the family company mentioned in Item 4 above.

Item 6 – Supervision

Persons associated with Cedar Hill who determine or give investment advice must have an educational background and/or experience in investment analysis, economics, and the general investment field. Client accounts are reviewed on a periodic, rotating basis by at least three members of the firm to insure compliance with client objectives and guidelines. Cedar Hill persons who provide investment advice are monitored by Joel H. Jastromb/Chairman, Alan Cole/President, and Chris Engelman, Managing Director of Cedar Hill Associates, LLC (312) 445-2900.



CEDAR HILL
WEALTH MANAGEMENT

¹ The **Chartered Financial Analyst** (CFA) designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a **CFA charterholder** candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA charter holders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

² The **Certified Financial Planner** (CFP®) designation is an international professional certification mark for financial planners conferred in the US by the Certified Financial Planner Board of Standards, Inc. To be entitled to the designation, a professional must meet education, examination, experience, and ethics requirements.



Daniel A. Jones, Principal

Item 2 – Education Background and Business Experience

25 Years Investment Experience

Born 1960

Principal	2008-Present	Cedar Hill Associates, LLC
Principal	2007-2008	Cedar Hill Associates, Inc.
Sr. Vice Pres/Sr. Portfolio Manager	1997-2007	Northern Trust Global Investments

Dan's responsibilities center on client relationship management. Prior to joining Cedar Hill, Dan was a senior portfolio manager with Northern Trust Global Investments, where he reviewed and analyzed investments to determine compatibility with client objectives. Dan received his Bachelor of Arts in history from Lake Forest College and an MBA from Lake Forest Graduate School of Management.

Item 3 – Disciplinary Events

There are no legal or disciplinary events with respect to Mr. Jones which are material to a client's evaluation of his integrity.

Item 4 – Other Business Activities

Dan does not engage in outside business activities that involve substantial income or time, except on behalf of Cedar Hill and its affiliates.

Item 5 – Additional Compensation

Dan does not receive material economic benefit for advisory services other than those provided to Cedar Hill's clients.

Item 6 – Supervision

Persons associated with Cedar Hill who determine or give investment advice must have an educational background and/or experience in investment analysis, economics, and the general investment field. Client accounts are reviewed on a periodic, rotating basis by at least three members of the firm to insure compliance with client objectives and guidelines. Cedar Hill persons who provide investment advice are monitored by Joel H. Jastromb/Chairman, Alan Cole/President, and Chris Engelman/Managing Director of Cedar Hill Associates, LLC (312) 445-2900.



Asha T. Goldstein, CFP®¹, Principal

Item 2 – Education Background and Business Experience

12 Years Investment Experience

Born 1980

Principal	2011-Present	Cedar Hill Associates, LLC
Vice President	2005-2011	Citi Private Bank
Personal Banker	2003-2005	Citi Bank
Intern	2002	Merrill Lynch

Asha serves as a client advocate and trusted advisor on our asset management team. Prior to joining Cedar Hill, Asha was a vice president at Citi Private Bank, where she developed customized wealth management solutions for high net worth clients, working with specialists in financial and estate planning, structured lending, and capital markets. Her previous experience includes working for Merrill Lynch as part of its wealth management advisory team. Asha received her Bachelor of Science in finance from DePaul University.

Item 3 – Disciplinary Events

There are no legal or disciplinary events with respect to Ms. Goldstein which are material to a client's evaluation of her integrity.

Item 4 – Other Business Activities

Asha does not engage in outside business activities that involve substantial income or time, except on behalf of Cedar Hill and its affiliates.

Item 5 – Additional Compensation

Asha does not receive material economic benefit for advisory services other than those provided to Cedar Hill's clients.

Item 6 – Supervision

Persons associated with Cedar Hill who determine or give investment advice must have an educational background and/or experience in investment analysis, economics, and the general investment field. Client accounts are reviewed on a periodic, rotating basis by at least three members of the firm to insure compliance with client objectives and guidelines. Cedar Hill persons who provide investment advice are monitored by Joel H. Jastromb/Chairman, Alan Cole/President, and Chris Engelman/Managing Director of Cedar Hill Associates, LLC (312) 445-2900.

¹ The **Certified Financial Planner** (CFP®) designation is an international professional certification mark for financial planners conferred in the US by the Certified Financial Planner Board of Standards, Inc. To be entitled to the designation, a professional must meet education, examination, experience, and ethics requirements.