
Red Cedar Investment Management, LLC

Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of Red Cedar Investment Management, LLC (“Red Cedar”). If you have any questions about the contents of this brochure, please contact us at (517) 580-4668. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Red Cedar also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 Material Changes

Red Cedar has made changes to its Disclosure Brochure since its initial filing on May 5, 2014. The follow summary includes material changes to either disclosures or business practices, as indicated.

Item 4 – Advisory Business

Red Cedar has commenced operations as an investment adviser and has started servicing clients.

In February 2015, control of Red Cedar was transferred from Delta Dental Plan of Michigan, Inc. to GLM Holding Company. Delta Dental Plan of Michigan, Inc. and Delta Dental Plan of Ohio, Inc. own GLM Holding Company.

Item 5 – Fees and Compensation

Red Cedar has updated its disclosure related to its valuation practices.

Item 12 – Brokerage Practices

Red Cedar has updated its disclosure to indicate it recommends Schwab as custodian to its wealth management clients.

Item 14 – Client Referrals and Other Compensation

Red Cedar has updated its disclosure to identify services received from Schwab, conflicts of interest that could result from receiving those services and Red Cedar's practices designed to mitigate those conflicts.

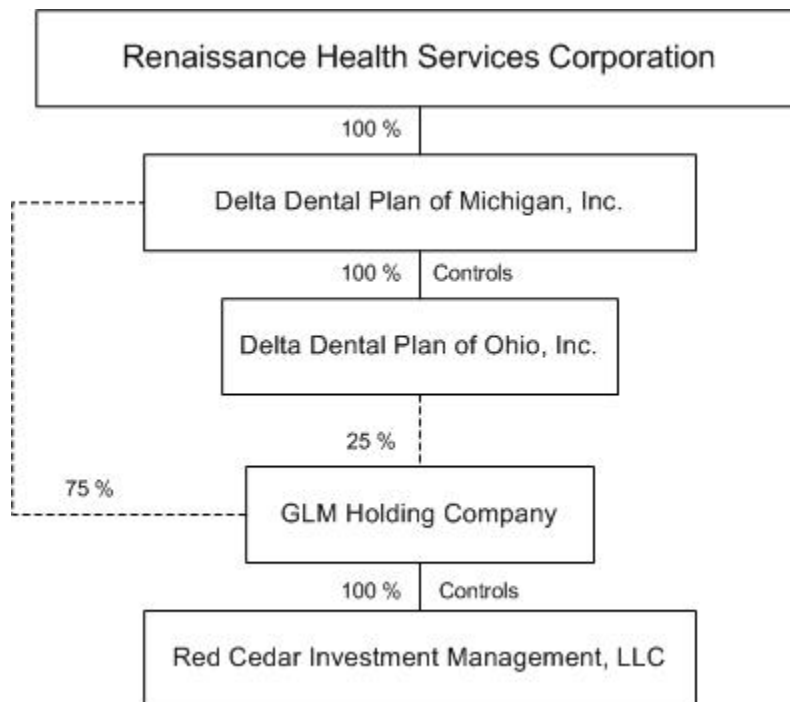
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Item 4 **Advisory Business**

Red Cedar Investment Management, LLC (“Red Cedar”) is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). Red Cedar became registered as an investment adviser in May 2014. Registration does not imply a certain level of skill or training. Red Cedar provides discretionary wealth management services, including investment management and financial planning services, to high net worth and individual clients. Red Cedar also provides discretionary investment management services to institutional clients including pension and retirement plans, corporations, and foundations.

Red Cedar, a Michigan limited liability company, is a subsidiary of GLM Holding Company (“GLM”), which is owned by Delta Dental Plan of Michigan, Inc. (“Delta Dental of Michigan”), a Michigan non-profit dental care corporation, and Delta Dental Plan of Ohio, Inc. (“Delta Dental of Ohio”), an Ohio non-profit health insuring corporation. Delta Dental of Ohio is controlled by Delta Dental of Michigan, which in turn is a wholly owned subsidiary of Renaissance Health Services Corporation (“RHSC”). The chart below depicts Red Cedar’s ownership structure:



Wealth Management Services

Red Cedar provides financial planning and investment management services to high net worth and individual clients. Financial planning services generally begin with the establishment of a financial plan which is developed through a consultative approach with the client and a review of relevant financial information. A well thought-out plan helps align a client's resources with their goals, and provides a basis for informed decisions in the future. A financial plan can be comprehensive, or focused on a specific area of need, and may encompass one or more of the following areas:

- Personal finance;
- Retirement planning;
- Investment portfolio management;
- Estate planning;
- Risk management;
- College funding; and
- Tax planning.

Clients are encouraged to work with qualified tax and legal professionals, and Red Cedar will collaborate with any advisor a client uses with respect to the financial plan.

Red Cedar's investment management services utilize base asset allocation models developed by its Investment Committee. These asset allocation models are designed to meet client goals and investment restrictions developed either during the planning process or as part of the initial consultation and captured in the client's Investment Management Agreement ("IMA") and Investment Policy Statement ("IPS"). In connection with the development of the IPS, Red Cedar will consider reasonable client requests regarding investment restrictions and will tailor its advice based on the applicable base asset allocation models. The asset allocation models will generally be implemented through the use of one, or a combination, of the following types of investments: Exchange Traded Funds ("ETFs"), mutual funds and the allocation of a portion of account assets to be managed by one or more third party investment advisers.

Institutional Investment Management Services

Red Cedar provides discretionary investment management services to client portfolios based on the client's investment objective and investment restrictions as described in each client's IMA and IPS. In connection with the development of the IPS, Red Cedar will consider reasonable client requests regarding investment restrictions and will tailor its advice based on the applicable base asset allocation models. Red Cedar also considers applicable regulatory requirements as communicated by the client when managing its account. In general, Red Cedar manages client accounts according to a base asset allocation model developed by its Investment Committee. The asset allocation models will generally be implemented through the use of one, or a combination of, the following types of investments: ETFs, mutual funds and the allocation of a portion of account assets to be managed by one or more third party investment advisers.

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Red Cedar's relationships with third party managers may occur through the following ways: 1) Red Cedar and the third party manager enter into an investment management agreement whereby the third party manager is engaged to sub-advise a portion of a client(s) assets as directed by Red Cedar; 2) wrap programs where Red Cedar enters into an investment management agreement with a broker-dealer ("Wrap Program Sponsor") and the client; or 3) wrap programs where Red Cedar enters into an investment management agreement with a Wrap Program Sponsor and the client enters into a separate agreement with the Wrap Program Sponsor. Whenever a portion of client assets are allocated to a third party manager as part of a client's asset allocation, Red Cedar performs periodic due diligence of the manager(s) and monitors clients' accounts to ensure the third party managers are managing each client's assets in accordance with the client's IMA and IPS. Red Cedar's agreement with the client grants Red Cedar the authority to hire or fire these managers on behalf of the client.

Non-Supervised Assets

An institutional or wealth management client may request that Red Cedar include certain securities and investment products not managed by Red Cedar in the account; however, these investments will be designated as non-supervised. It is the client's responsibility to notify Red Cedar in writing of any changes, modifications or instructions with respect to non-supervised assets. Red Cedar will not monitor, provide advice or take any investment action with respect to any non-supervised assets. No fees are charged on non-supervised assets and they are not included in any calculations of assets under management.

Assets Under Management

As of December 31, 2014, Red Cedar had assets under discretionary management of \$171,600,000 and non-discretionary management of \$0.

Item 5 Fees and Compensation

Wealth Management Services

Red Cedar charges clients a fee based on a percentage of the account's market value. The standard fee schedule is set forth below.

<u>Assets</u>	<u>Annual Fee</u>
\$250,000 - \$1,000,000	1.00%
\$1,000,001 - \$2,500,000	0.85%
\$2,500,001 - \$5,000,000	0.75%
\$5,000,001 - \$10,000,000	0.65%
\$10,000,001 - \$15,000,000	0.55%
\$15,000,001 - \$20,000,000	0.45%

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The annual fee is tiered, which results in lower fees as assets in the account increase. For example, an account with a value of \$2.2 million would pay 1.00% on the first million and 0.85% on the next \$1.2 million.

Red Cedar may, at its discretion, elect to charge fixed and/or hourly fees for financial planning. These fees are based on the level and scope of the services provided and the professional rendering the financial planning. If a client engages Red Cedar for additional investment advisory services, Red Cedar may offset all or a portion of its fees for those services based upon the amount already paid for financial planning services.

Fees are negotiable in Red Cedar's sole discretion based on certain factors including, but not limited to, type of client, size of the account and/or relationship and special service requests by the client. Wealth management services provided to Red Cedar personnel, their family members, and other individuals employed by Red Cedar affiliates (including their family members) may be provided at a discount to the standard fee schedule. Red Cedar maintains investment, trade allocation and account valuation policies and procedures reasonably designed to prevent these accounts from receiving favorable treatment, other than with respect to fees. Please see the related conflicts discussion in Item 10 below.

Institutional Investment Management Services

Red Cedar charges clients a fee based on a percentage of the account's market value. The standard fee schedule is set forth below.

<u>Assets</u>	<u>Annual Fee</u>
\$1,000,000 - \$5,000,000	0.50%
\$5,000,001 - \$10,000,000	0.40%
\$10,000,001 - \$25,000,000	0.30%
\$25,000,001 - \$50,000,000	0.20%
Over \$50,000,000	0.15%

The annual fee is tiered, which results in lower fees as assets in the account increase. For example, an account with a value of \$15,000,000 would pay 0.50% on the first \$5,000,000, 0.40% on the next \$5,000,000, and 0.30% on the remaining assets.

Fees are negotiable in Red Cedar's sole discretion based on certain factors including, but not limited to, type of client, size of the account and/or relationship and special service requests by the client. Institutional investment management services provided to Red Cedar affiliates are provided at a discount to the standard fee schedule. Red Cedar maintains investment, trade allocation and account valuation policies and procedures reasonably designed to prevent these accounts from receiving favorable treatment, other than with respect to fees. Please see the related conflicts discussion in Item 10 below.

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General

Fees are generally payable quarterly in advance. Fees paid in advance are calculated based on the market value of the client's account as of the last business day of the previous quarter. A client or Red Cedar may terminate the advisory relationship with 30 days written notice. If the advisory relationship is terminated by either Red Cedar or the client, the advisory fee will be prorated based on the time during the quarter the account was open and any prepaid advisory fee related to the portion of the quarter the account is closed will be refunded. Clients should contact Red Cedar at the phone number indicated on the cover page if they have questions about how to obtain such a refund. A limited number of clients may pay on a differing fee schedule as agreed upon by that client and Red Cedar and captured in the client's IMA. Red Cedar is paid directly or Red Cedar deducts fees directly from client accounts based on the client's written direction. Red Cedar prefers to deduct fees directly from the client accounts, but clients may choose either method. In all cases, clients receive an original invoice quarterly.

Clients also separately incur custody, brokerage, and transaction costs. Please see Item 12 for information on Red Cedar's brokerage practices. To the extent account assets are invested in ETFs and/or mutual funds, the client's account will pay two levels of advisory fees on those assets – Red Cedar's direct advisory fee and the account asset's share of the advisory fees assessed to all shareholders of such funds. The account will also separately pay its share of all other fees and expenses of such funds. Red Cedar does not receive any compensation or other financial benefits from any mutual fund or ETF it utilizes in client accounts.

Red Cedar maintains investment, trade allocation and account valuation policies and procedures designed to address potential conflicts of interest related to the fact that clients pay varying fees.

In cases where a client enters into a separate investment management agreement with a third party manager to manage a portion of a client's assets, their fees are generally exclusive of, and in addition to, Red Cedar's investment advisory fee set forth above. Certain third party managers may impose varying billing practices from those disclosed above.

Account Valuation Practices

Red Cedar uses account market values to calculate investment performance and client fees, so it is important that these values are as accurate as possible. Red Cedar's account valuation practices are described below.

Red Cedar uses pricing information provided by its clients' custodians to value client accounts. If a price for a managed asset is not available from the client's custodian, it will be obtained from Bloomberg.

Unless otherwise directed by the client, Red Cedar will use pricing information provided by its clients' custodians for fee billing purposes. Only the value of managed assets is included in calculation of Red Cedar's assets under management and fees.

When a client's custodian or Bloomberg are unable to render a price or when Red Cedar strongly believes these sources do not provide a price reflective of fair market value, Red Cedar's Fair Valuation Committee will determine a fair value for that security.

There are inherent conflicts of interest when Red Cedar values client accounts, as higher security prices increase market values, thereby enhancing performance results and increasing fees. In addition, because clients pay different fees based on differing fee schedules or the size of the account, Red Cedar has an incentive to favor those accounts where it earns the highest fees. Red Cedar maintains investment, trade allocation and account valuation (including fair valuation) policies and procedures to address such conflicts of interest.

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

Red Cedar is not currently managing any client accounts utilizing a performance-based fee arrangement. As a result, Red Cedar has no conflicts of interest between accounts that pay asset-based fees and accounts that pay performance-based fees (known as "side-by-side management").

Item 7 Types of Clients

Red Cedar provides discretionary wealth management services, including investment management and financial planning services, to high net worth and individual clients. Red Cedar also provides discretionary investment management services to institutional clients including pension and retirement plans, corporations, and foundations.

Red Cedar has an account minimum of \$1,000,000 for institutional clients and \$250,000 for wealth management clients. The minimum may be waived or negotiated in whole or in part at the discretion of Red Cedar management.

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

Red Cedar's investment philosophy is rooted in the belief that every dollar has a purpose and should be managed according to that purpose. In order to achieve this, Red Cedar must have a deep understanding of the multiple factual and emotional components involved in a client's goal setting process. Only after a clear understanding of key factors, such as the risk/reward continuum, time horizon, and priority of goals, has been discussed, will Red Cedar begin to invest and allocate assets on behalf of a client. This deliberate process is essential to long-term alignment of resources and goals, and provides understandable and traceable solutions for a client.

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Red Cedar believes, in general, the asset allocation process is more influential on account performance than the underlying investments selected. Red Cedar believes the future is unknown and diversification is critical to managing risk. Therefore Red Cedar reviews long-term performance characteristics of various asset classes, focusing on balancing the risks and rewards of market behavior to meet performance objectives. Aligning these characteristics with a client's goal setting process is the basis for proper portfolio construction and implementation.

Red Cedar consults with clients initially and on an ongoing basis to develop an individually tailored IPS based on the client's needs, risk tolerance, time horizon and other factors. Clients are advised to promptly notify Red Cedar if there are changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Red Cedar's management services. Red Cedar then invests the client's assets in the base asset allocation model(s) best suited to achieve the client's investment goals. Although Red Cedar generally manages client accounts using base asset allocation model(s), clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in Red Cedar's sole discretion, the conditions will not materially impact the performance of a recommended portfolio strategy or prove overly burdensome to its management efforts.

Development and Maintenance of Base Asset Allocation Models

Under the direction of the Investment Committee, Red Cedar develops base asset allocation models that are predicated on a number of factors, including:

- Historical and expected long-term capital market risk and returns;
- Expected correlations of returns among various asset classes;
- An assessment of future economic conditions, including inflation and interest rate levels;
- Various risk/return scenarios;
- Minimization of costs associated with implementation through the efficient use of internal and external resources; and
- Liquidity requirements.

Red Cedar uses analysis, research, modeling and optimization software developed by Morningstar, Zephyr Associates and fi360 that provide insightful analysis, data aggregation, and tools for building and analyzing base asset allocation models.

Other resources include general media publications, industry conferences, and materials prepared by various investment companies.

Red Cedar utilizes open-ended mutual funds, ETFs and cash equivalents in its base asset allocation models. Red Cedar, as part of its base asset allocation models, may also allocate a portion of client assets to be managed by one or more third party investment advisers. Red Cedar does not receive any compensation or other financial benefits from any mutual fund, ETF or third party investment adviser it utilizes for client accounts.

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When researching open-ended mutual funds, ETFs, and third party managers for potential inclusion in a base asset allocation model, Red Cedar considers consistency of performance, longevity, integrity and management style of the management team, financial strength, reporting and pricing capabilities and fees/expense structure, among other matters. Red Cedar will also consider these same factors when periodically evaluating investments currently included in a base asset allocation model to determine if those investments and/or third party managers remain the optimal investment for a particular asset class, sector or capitalization. The mutual funds, ETFs, and third party investment managers recommended by Red Cedar invest primarily in some or all of the following types of securities:

- Domestic and foreign stocks with small, mid or large market capitalizations, including emerging and frontier markets;
- Fixed income securities of corporations and municipalities;
- U.S. Government and Government Agency Securities;
- Real estate investment trusts (“REITs”) (domestic and foreign);
- ETFs; and
- Short term securities including money market mutual funds, certificates of deposit and other cash equivalents.

Base asset allocation models are reviewed by the Investment Committee on a periodic basis. Red Cedar continually researches mutual funds and ETFs to determine if investments included in the base asset allocation models continue to be the optimal investment for a particular asset class, sector or capitalization. If a decision is made to change a base asset allocation model holding or percentage of a holding, Red Cedar will implement such changes to the model and applicable accounts managed using that model, as appropriate, once approved by the Red Cedar Investment Committee.

Material Investment Risks

Investing in securities involves the risk of loss that clients should be prepared to bear, including the loss of principal. Red Cedar does not assure or guarantee the results of any of its recommendations and does not guarantee that it will be successful in meeting investment goals or objectives. Certain material risks relating to the advice and recommendations provided by Red Cedar are set forth below, but this section does not attempt to identify every risk or to describe completely those risks it does identify.

Market Risk

Client accounts are subject to general market risk. The value of the securities held in client accounts will tend to increase or decrease in response to movements in the market. Individual mutual funds, ETFs or stocks and/or other securities included in a portion of a client account managed by a third party manager may decline in value or not increase in value due to events unique to the individual investment, even when stock markets in general are rising.

Management Risk

Red Cedar's investment approach may not produce the intended result due to a particular asset class or security type not performing as expected within Red Cedar's asset allocation models. As a result, the overall performance of a client's account may decline or be less than expected.

Third Party Manager Risk

Red Cedar recommends open-ended mutual funds and ETFs as part of client portfolios. Red Cedar may also allocate a portion of client investments to third party investment managers. Other than with respect to decisions to invest and redeem, Red Cedar has no control over the investment strategies or decisions of the mutual funds, ETFs or certain third party investment managers included in client portfolios. To the extent Red Cedar directly retains a third party manager as a sub-adviser, Red Cedar's investment management agreement with such manager will contain investment guidelines and restrictions relevant to the client's account. Third party investment managers and/or the investment manager of the mutual fund or ETF invest in a broad range of equity and fixed income securities which all have their own risks, as detailed below. Should Red Cedar become dissatisfied with the investment decisions of one of the mutual funds, ETFs or third party managers included in a base asset allocation model, its only course of action would be to liquidate the client investment.

Equity Risk

Equity securities are typically more volatile than other security types. As a result, the performance of a mutual fund, ETF or assets allocated to a third party manager may be more volatile than the investment markets as a whole, which can affect a client's overall account performance. The mutual funds, ETFs or third party managers recommended by Red Cedar may invest in small or mid-cap companies which have additional risks. Smaller companies tend to be more volatile and have higher failure rates due to more limited markets financial resources and management experience. Additionally, smaller companies exhibit greater price volatility and sensitivity to market selling pressure than larger companies.

Fixed Income Risk

The mutual funds, ETFs or third party managers recommended by Red Cedar may invest in fixed income securities. The issuers of fixed income securities may fail to make interest and principal payments which will affect the credit rating of the issuer and the price of the fixed income security owned by the mutual fund or ETF or recommended by a third party manager. Bankruptcy or insolvency of the issuer may result in total loss of principal. Fixed income security values also fluctuate in response to market interest rates.

ETF Risk

Red Cedar recommends ETFs as part of client accounts. Additionally, a mutual fund or third party manager recommended by Red Cedar may invest in ETFs. ETFs, depending on size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing downward price movement. Certain ETFs may also employ leverage, which increases volatility and creates additional costs to the ETF due to interest on the leverage.

Municipal Securities Risk

The mutual funds, ETFs or third party managers recommended by Red Cedar may invest in fixed income securities of municipal issuers, which have unique risks when compared to other fixed

income securities. Municipal fixed income securities rely on the municipality's ability to raise tax or other revenue in order to make interest or principal payments to investors.

REIT Risk

The mutual funds, ETFs or third party managers recommended by Red Cedar may invest in REITs. These securities are subject to risks generally applicable to investing in real estate including decline in the value of real estate, declines in general and local economic conditions, lack of availability of mortgage funds, and susceptibility to changes in interest rates.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding certain legal or disciplinary events that would be material to your evaluation of Red Cedar or the integrity of Red Cedar's management. Red Cedar has no legal or disciplinary event applicable to this Item to report.

Item 10 Other Financial Industry Activities and Affiliations

As noted in Item 4, Red Cedar is a subsidiary of GLM, which is owned by Delta Dental of Michigan and Delta Dental of Ohio. Delta Dental of Ohio is controlled by Delta Dental of Michigan, which in turn is a wholly owned subsidiary of RHSC. As a result of these relationships, Red Cedar has various enterprise affiliates that are under the common control of GLM, Delta Dental of Michigan and RHSC. Many of these are other Delta Dental plans and certain of them are Renaissance-branded insurance companies and other Renaissance-branded related dental industry services. It is Red Cedar's intent to provide investment management services to certain of the enterprise affiliates over time. Except as disclosed below, outside of providing investment management services to the enterprise affiliates, Red Cedar has no business dealings with them in connection with the advisory services it will provide to third party clients and they present no known conflicts other than as affiliated advisory clients.

Providing these services presents the conflict that Red Cedar could favor the enterprise affiliate accounts over other client accounts. The enterprise affiliate accounts are considered clients, are managed according to an IMA and pay an advisory fee. The use of an asset allocation strategy reduces the importance of the timing and allocation of individual investment recommendations, as Red Cedar feels the allocation is more influential on performance than the underlying investments. Further, Red Cedar utilizes open-ended mutual funds and typically high trading volume ETFs which reduces the opportunity to favor one account over another. However, to assist in managing potential conflicts of interest, Red Cedar maintains investment and trade allocation policies and procedures designed to ensure all Red Cedar clients are treated fairly over time, as well as a Code of Ethics which includes standards of conduct expected of all personnel, including acting in the best interest of clients and treating all clients fairly.

Red Cedar has entered into an Administrative Service Agreement with Delta Dental of Michigan, pursuant to which Delta Dental provides the personnel who provide services on behalf of Red Cedar, as well as those providing other ancillary services including information technology, human resources, accounting and legal services. Red Cedar's Board of Managers is tasked with overseeing the strategic direction and overall operations of the firm. The Board of Managers is comprised of Red Cedar's CEO (who also serves as the Red Cedar CFO) and its President. Red Cedar's CEO generally oversees the firm, but devotes the majority of his time to serving in other capacities for certain of Red Cedar's enterprise affiliates, including as the Chief Financial Officer for Delta Dental of Michigan.

Red Cedar's President is responsible for the day-to-day operations of the firm and leads Red Cedar's Investment Committee. The President and the other members of the Investment Committee, although Delta Dental of Michigan employees, primarily provide services on behalf of Red Cedar.

Red Cedar's President also serves as Red Cedar's Chief Compliance Officer ("CCO"). Serving in dual roles could create conflicts of interest due to competing priorities. Although Red Cedar feels the interests of the role of its President and CCO will generally be aligned, it maintains investment and trade allocation policies and procedures and a Code of Ethics and Personal Trading policy, which outlines standards of conduct including the requirement to always put clients' interests ahead of all other interests, which assists in addressing such potential conflicts of interest.

Red Cedar's use of Delta Dental of Michigan employees in various capacities creates the potential for a conflict of interest between the obligations to Red Cedar clients and the incentive to take actions that benefit Delta Dental of Michigan (or another applicable enterprise affiliate). There may also be conflicts with respect to the allocation of resources and time. Each entity's management team is cognizant of these potential conflicts, and strives to ensure each individual's Delta Dental of Michigan responsibilities do not impair his or her responsibilities and obligations to Red Cedar. Red Cedar believes these potential conflicts are further mitigated because personnel providing services on its behalf are subject to applicable policies and procedures, as well as applicable portions of Red Cedar's Code of Ethics, which requires Red Cedar and its personnel to put client interests ahead of all other interests.

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

Red Cedar maintains a Code of Ethics which applies to all personnel providing services to Red Cedar clients. As a fiduciary, Red Cedar has a duty of utmost good faith to act solely in the best interests of each of its clients. The Code of Ethics compels all personnel providing services to Red Cedar clients to act with utmost integrity in all dealings. In connection with these expectations, Red Cedar has established core standards of conduct consistent with Red Cedar's culture of integrity, fairness, accountability, preparedness, enthusiasm, straightforwardness, dependability, inquisitiveness and consistency.

The standards of conduct included in Red Cedar's Code of Ethics include provisions related to confidentiality of client information, limitations on personal trading, limitations on gifts and business entertainment, provisions related to serving as a director for an outside organization or engaging in outside business activities, prohibitions against using inside information to trade in personal accounts or on behalf of clients, and a requirement to strive to avoid and/or if appropriate, manage and/or disclose potential or actual conflicts of interest. All personnel providing services to Red Cedar clients are required to acknowledge the terms of the Code of Ethics at the time he/she becomes a supervised person and annually thereafter.

Red Cedar access persons are permitted to buy and sell for their own accounts securities that are recommended to clients or included in the base asset allocation models, which creates potential conflicts of interest. Red Cedar only utilizes open-ended mutual funds and ETFs in the portion of base asset allocation models not allocated to a third party investment manager. As such, Red Cedar believes that the risk of access persons personally benefiting from Red Cedar client market activity or Red Cedar access persons' personal trading activity interfering with making investment decisions in the best interest of clients is generally very low. The Code prohibits access persons from making certain ETF (including an option on an ETF) trades in close proximity to client trades and requires access persons to obtain preapproval prior to executing all ETF (including an option on an ETF) trades. In addition, the Code of Ethics requires all access persons report to the CCO certain securities holdings information initially upon employment and at least annually thereafter and certain personal securities transaction information on a quarterly basis. Personal trading is monitored by Red Cedar to address the conflicts arising from allowing access persons to invest in the same securities as clients.

A copy of Red Cedar's Code of Ethics is available to any client or prospective client upon request.

Item 12 Brokerage Practices

Red Cedar's Investment Committee conducts oversight of the investment and trading processes including trading policies and procedures, best execution, soft dollar practices and broker considerations including brokers used and commissions. Below is a summary of Red Cedar's trading and brokerage practices.

Selection of Brokers

For institutional clients, Red Cedar utilizes traditional broker-dealers to execute mutual fund and ETF trades. For wealth management clients, Red Cedar recommends clients use Schwab, a FINRA-registered broker-dealer, member SIPC, as their custodian through the Schwab Advisor Services platform. Red Cedar is not affiliated with Schwab. It is generally an affiliated broker-dealer of Schwab that will execute the clients' transactions. Red Cedar considers many factors in selecting broker-dealers with which to place institutional client trades and recommending Schwab to its wealth management clients, including: research services provided; quality of

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execution; financial condition of the firm; commission structure; efficiency of use and accessibility; acceptable record keeping, administrative and settlement functions; overall quality of service; and reputation and integrity.

Best Execution

As a fiduciary, Red Cedar has an obligation to seek best execution of clients' transactions under the circumstances of the particular transaction. Red Cedar aims to execute transactions in a manner such that the client's total cost or proceeds is the most favorable under the circumstances. Red Cedar's Investment Committee monitors broker-dealer relationships and evaluates the quality of execution received from broker-dealers executing transactions for clients.

For wealth management clients that do not direct brokerage, Red Cedar generally recommends Schwab, which together with its affiliated broker-dealer, offers both custody and brokerage services, among other services, through the Schwab Adviser Services platform. Wealth management clients will enter into an arrangement to utilize Schwab for both brokerage and custody services. This arrangement generally allows the client to obtain attractive brokerage rates and professional execution. Schwab may charge the client additional "trade away" fees when trades are executed by another broker-dealer, and therefore in most instances it is advantageous for Red Cedar to execute through Schwab's affiliated broker-dealer when the trade involves a wealth management client subject to these arrangements, in order to avoid these additional costs.

Soft Dollar Practices

Red Cedar does not engage in pre-arranged soft dollar arrangements, which are formal arrangements where Red Cedar specifically directs portfolio brokerage commissions to a broker-dealer in return for brokerage or research services that Red Cedar may use in making investment decisions for its clients ("soft dollar" arrangements).

Red Cedar, however, does receive the benefit of research or brokerage services provided by broker-dealers, such as general macroeconomic research publications, invitations to conferences and meals and entertainment when attending, access to business consulting services and institutional trading platforms.

It is Red Cedar's policy to operate within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934 when obtaining research and brokerage services from broker-dealers which also execute trades in Red Cedar client accounts. When Red Cedar receives research or brokerage services from broker-dealers, it could potentially cause a conflict of interest as Red Cedar may have incentive to select broker-dealers or recommend clients maintain their custodian accounts at Schwab based on its interest in receiving these services, rather than receiving the most favorable execution for client trades. When receiving research or brokerage services, Red Cedar receives a benefit because it does not have to produce or pay for such services itself. While Red Cedar may consider such services provided in allocating brokerage to a specific broker-dealer, as a practical matter Red Cedar generally allocates brokerage on the basis of execution quality and other related services rather than in consideration of research or brokerage

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services received. The Investment Committee provides oversight of Red Cedar's brokerage practices including soft dollar considerations and broker commissions to provide reasonable assurance these conflicts are mitigated.

Research received from broker-dealers that are also allocated trades by Red Cedar will not be used solely for the accounts that generated the brokerage commission, but will generally be used in managing all client accounts.

Directed Brokerage Arrangements

Red Cedar generally does not permit its clients to direct brokerage to a particular broker-dealer. As noted above, Red Cedar recommends wealth management clients utilize Schwab for custodian services through the Schwab Advisor Services platform. This arrangement generally allows the client to obtain attractive brokerage rates and professional execution through Schwab's affiliated broker-dealer. Schwab may charge the client additional "trade away" fees when trades are executed by another broker-dealer, and therefore in most instances it is advantageous for Red Cedar to execute through Schwab's affiliated broker-dealer when the trade involves a wealth management client subject to these arrangements, in order to avoid these additional costs.

Allocation of Investment Opportunities

Red Cedar applies its investment philosophy to all client accounts and strives to manage portfolios sharing common objectives, restrictions and regulatory framework against base asset allocation models. In general, investment opportunities shall be made available to all clients: 1) that are eligible to participate; and 2) where such investment opportunities are deemed to be appropriate for the specific client. If a decision is made to change a base asset allocation holding or a percentage of a holding, Red Cedar will implement such changes to applicable accounts utilizing that model, as appropriate, including enterprise affiliate accounts. Red Cedar may deviate from this general approach under certain circumstances, for example, to accommodate client tax considerations or client cash needs.

Trade Aggregation Practices

When practical, client trades will be bunched in a single order (a "block") in an effort to obtain best execution at the best security price available. Red Cedar may trade a single security across multiple broker-dealers due to client specific custodian/broker-dealer relationships. In these instances, Red Cedar systematically rotates the order in which trades are initiated with various broker-dealers in an effort to treat all clients fairly over time. If it is in the best interest of all clients involved in a trade, enterprise affiliate accounts will be included along with other client accounts. Should Red Cedar determine that including enterprise affiliate accounts in trades along with other client accounts is not in the best interest of all clients or unfairly advantages the enterprise affiliate accounts, the enterprise affiliate accounts will be placed at the end of the trade rotation.

Once the aggregated trade is executed, the shares are allocated in line with the pre-allocation schedule. If a block order is filled (full or partial fill) at several prices through multiple trades, an average price will be calculated for all trades executed by the broker-dealer for the block, and all participants in the block trade will receive the average price. Only trades executed within the block on the single day may be combined for purposes of calculating the average price.

In general, Red Cedar attempts to fill client orders by the end of the trading day. In certain circumstances where an order is only partially completed, the trade shall be allocated on a pro-rata basis subject to minimal rounding.

Under certain circumstances Red Cedar's policies permit it to deviate from the practices described above. Examples of such circumstances may include: pro-rata allocation results in a de minimis number of shares; the client portfolio is charged per trade transactions fees by its custodian creating undue costs by executing trades over several days or with multiple broker-dealers; extreme market volatility; cash limitations or excess cash; client specific investment restrictions; tax status; client direction to raise cash in the account; or common sense and equitable adjustments.

Red Cedar has established these trade aggregation and allocation policies to provide reasonable assurance that each client is treated fairly over the long-term and potential or actual conflicts of interest are adequately mitigated. The Investment Committee provides oversight of the investment, trading and brokerage practices and policies.

Cross Transactions

Red Cedar generally does not affect cross transactions between its client accounts, however cross transactions may occur if Red Cedar determines it is in the best interest of each client participating in the trade. All cross transactions will be executed in accordance with Red Cedar's Cross Transactions Policy. Red Cedar will not engage in cross transactions involving an ERISA client account or an account of an enterprise affiliate.

Trade Errors

It is Red Cedar's policy for clients to be made whole following a trade error caused by Red Cedar. Absent a different arrangement with the client's custodian, if Red Cedar causes a trade error to occur in a client account that results in a loss, Red Cedar will reimburse the client. If the trade error results in a gain, the client will keep that gain. Red Cedar's Investment Committee will periodically review all trade errors. Red Cedar maintains a Trade Error Policy to ensure all trade errors caused by Red Cedar are resolved in the client's best interest.

Item 13 Review of Accounts

Client accounts are reviewed on a regular basis by a member of the Investment Committee. A formal account review is performed on a quarterly basis to reasonably ensure asset allocations

are within target ranges indicated on each client's IPS and to rebalance accounts, as appropriate. The Investment Committee reviews performance dispersion quarterly to identify accounts with performance inconsistent with the base asset allocation model. For accounts which utilize third party investment manager to manage a portion of the allocation, the Investment Committee reviews the performance of the portion of the account managed by the third party manager for reasonableness on a quarterly basis and ensures the third party investment adviser is managing the account consistent with the client's IPS.

Red Cedar strives to meet with clients at least annually to ensure the client's IPS is consistent with the client's investment goals and discuss performance of the account.

Item 14 Client Referrals and Other Compensation

Red Cedar does not directly or indirectly compensate anyone for referring potential clients to Red Cedar.

Red Cedar may obtain high net worth or individual clients through referrals from relationships through the Delta Dental network. From time to time, Red Cedar may be referred to dentists or other individuals working in dental offices which are customers of Red Cedar's parent company and/or affiliates. Individuals making the referrals will not be compensated for referring prospects which become Red Cedar clients.

Red Cedar, from time to time, may obtain clients through referrals from other professionals, such as accountants and attorneys, including those with whom Red Cedar has referred clients. These mutual referral relationships with other professionals may result in a conflict of interest between referring clients to professionals that are most suited to provide the clients with appropriate services and referring clients to professionals who refer clients to Red Cedar. Red Cedar does not compensate other professionals for these referrals and Red Cedar is not compensated by other professionals for referring business to them. No client is obligated to use the services of the professionals referred by Red Cedar.

As described in Item 12, Red Cedar participates in Schwab Advisor Services platform. Accordingly, Schwab also makes available various support services to Red Cedar. Some of those services help Red Cedar manage or administer client accounts, while others help Red Cedar manage and grow its business. Schwab's support services are generally available on an unsolicited basis and at no charge to Red Cedar as long as Red Cedar maintains a total of at least \$100 million of client assets in accounts at Schwab. Some of the services made available by Schwab directly benefit client accounts, but others do not. As part of the services offered by Schwab, Red Cedar receives software and other technology and other services intended to help Red Cedar manage and further develop its business enterprise such as consulting services and publications and conferences on business management. In some cases, Schwab may arrange for a third-party vendor to provide these services or pay for all or a part of a third party's fees. Additionally, Schwab is providing Red Cedar with use of its Integrated Office product at a \$10,000 discount for the first year Red Cedar recommends clients to Schwab. The availability of

these services from Schwab benefits Red Cedar because it does not have to produce or purchase the services on its own. This causes a potential conflict of interest. However, Red Cedar believes that the selection of Schwab as a recommended custodian and use of Schwab's affiliated broker-dealer to execute client trades is in the best interest of its clients based on the factors discussed in the Selection of Brokers section within Item 12 above. Red Cedar does not select Schwab solely based on the desire to gain access to its services. Additionally, the Investment Committee provides oversight of Red Cedar's brokerage practices including oversight of broker-dealers, which provides reasonable assurance conflicts are mitigated. Further, Red Cedar maintains policies and procedures which describe its review and selection of broker-dealers and the firm's fiduciary duty to put client interests ahead of its own.

Please also see the discussion of soft dollar practices in Item 12 above.

Item 15 Custody

Red Cedar does not maintain physical custody of client assets, although Red Cedar is deemed by the applicable regulations to have custody of assets if clients give it the authority to withdraw quarterly fees directly from their custodial accounts. Client assets must be maintained in an account at a qualified custodian; generally a broker-dealer, bank or trust company. A custodian is appointed by each client to have possession of the assets of the account, settle transactions for the account and accept instructions from the account's investment managers regarding securities trading in the account.

Red Cedar may also be deemed to have constructive custody of the account assets of certain enterprise affiliates where a Red Cedar officer also serves as an officer of the enterprise affiliates and has access to the managed account.

As Red Cedar is deemed to have constructive custody of client assets, Red Cedar has implemented policies and procedures to comply with the applicable custody rules with respect to such accounts.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains their investment assets. Red Cedar urges clients to carefully review such statements. Clients should contact Red Cedar using the information on the cover page if they have any questions about their custodial statements or if their qualified custodians stop sending them at least quarterly statements.

Item 16 Investment Discretion

Red Cedar accepts discretionary authority when managing client accounts pursuant to each client's IMA. Clients may impose reasonable restrictions on the management of its account which are reflected on the client's IPS.

Item 17 Voting Client Securities

As a general matter, Red Cedar does not vote proxies on behalf of clients. However, if specifically requested by ERISA clients, Red Cedar will vote proxies consistent with ERISA requirements. Red Cedar is not voting proxies for any ERISA clients at this time. Proxy voting authority is identified in each client's IMA. Where Red Cedar retains a third party investment manager to manage a portion of a client's account, such third party manager will be responsible for voting proxies related to securities under their management.

Clients should ensure they have instructed their custodians to promptly forward all proxy materials to the client or any proxy voting service designated by the client. All proxy materials received by Red Cedar are sent directly to the client, the client's custodian, or another party as directed by the client.

Item 18 Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Red Cedar does not have any financial information to report as it does not have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

Other Information

Class Action and Other Legal Proceedings

Red Cedar does not monitor, advise or act for any client in legal proceedings, including, without limitation, class actions and bankruptcies. Clients should ensure that they have instructed their custodians to promptly forward to the client any communications relating to legal proceedings involving account assets.

Privacy Notice

Our Promise to You

As a client of Red Cedar, you share both personal and financial information with us. Your privacy is important to us, and we are dedicated to safeguarding your personal and financial information.

Information Provided by Clients

In the normal course of doing business, we typically obtain the following non-public personal information about our clients:

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 26, 2015

- Personal information regarding our clients' identity such as name, address, birth date, and social security number;
- Information regarding securities transactions effected by us; and
- Client financial information such as net-worth, assets, income, bank account information and account balances.

How We Manage and Protect Your Personal Information

We do not sell information about current or former clients to third parties, nor is it our practice to disclose such information to third parties unless requested or authorized to do so by a client or client representative or, if necessary, in order to process a transaction, service an account or as permitted by law. We may, however, share information about you with our affiliates that provide us with administrative services pursuant to a written agreement. Additionally, we may share information with outside companies that perform administrative services for us. However, our arrangements with these service providers require them to treat your information as confidential.

In order to protect your personal information, we maintain physical, electronic and procedural safeguards. Our Privacy Policy restricts the use of client information and requires that it be held in strict confidence.

Client Notifications

We are required by law to annually provide a notice describing our privacy policy. In addition, we will inform you promptly if there are changes to our policy. Please do not hesitate to contact us with questions about this notice.