

CEDAR HILL ASSOCIATES, LLC

Investment Manager



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ADV PART 2A 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.

June 2017



Summary of Material Changes – May 2017 through June 2017

This Brochure item is used to provide our clients with a summary of material changes occurring since our last annual update dated April 2017. Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of year-end. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

1. Cedar Hill Associates, LLC (Cedar Hill) and Cambium Asset Management LLC (Cambium) were merged on June 16, 2017 and the combined entities will be operated as a single firm under the Cedar Hill name. We believe the merger will result in benefits for clients including an expanded investment team and technology and infrastructure enhancements. We are confident these improvements will provide the research and technical tools we need to better serve our clients and provide you with enhanced reporting options.
2. Prior to merging the two companies, ownership of Cedar Hill Associates, LLC was transferred from MB Financial Bank, N.A. to its holding company, MSA Holdings LLC, in order to achieve economies when purchasing external services. MSA Holdings LLC is solely owned by MB Financial Bank, N.A.
3. Cedar Hill's primary office has relocated to LaSalle Street, effective June 19, 2017. The majority of our personnel will be working from 120 NORTH LaSalle Street, 33rd Floor, Chicago, Illinois, 60602.
4. We are maintaining a Rosemont office and are available to meet with clients in our first floor suite located at: 6111 North River Road, Suite 110W, Rosemont, Illinois 60018.
5. In addition to our separately managed accounts for high net worth individuals and their families, foundations, and endowments, Cedar Hill can now offer these expanded wealth management services:
 - **Sub-Advisory Services to Institutional Clients** is an independent sub-advisory discretionary relationship where the Institution continues as the principal advisor and through an advisory agreement hires Cedar Hill to provide investment management services to its clients. Services may include assisting the Institutional Clients in identifying their investment objectives and matching their client objectives and strategies with a select list of investment portfolios, asset allocation, and securities that meet Cedar Hill's investment criteria.



- **ERISA Advisor Services for Retirement Plans** provide discretionary advisory services for managing a client's employee benefit plan subject to the investment objectives and restrictions as described in the Plan documents.
 - **BluePrint Strategy Portfolios** (BluePrint) are asset allocation portfolios to smaller accounts that may have been excluded from other 3rd party advisory services due to account size requirements. BluePrint portfolios are constructed through the ModelxChange Platform of Mid Atlantic Trust Company which enables managers to establish and implement their proprietary model strategies using registered mutual funds and exchange traded securities (ETFs).
6. For all financial services providers, the Department of Labor Fiduciary Rule became effective June 9, 2017 and set additional requirements for working with all retirement plans, including IRAs. Cedar Hill, as an investment advisor, is already a fiduciary by SEC conduct standards meaning that we will always choose to serve the best interests of our clients and not our own.



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Item 4 – Advisory Business

Wealth Management Services

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

Our in-depth knowledge of today's investing climate, along with a mix of dedication and experience, helps Cedar Hill serve the specialized investment needs of high net worth individuals and their families, foundations, and endowments. Recently expanding our capabilities by adding new expertise, Cedar Hill can provide sub-advisory services to Institutional Clients and advisory services for retirement plans. And, for smaller portfolios, we have a customized discretionary asset allocation platform available.

Our Client Base – As of June 16, 2017, we have the privilege of managing client assets of \$1,108,314,224, including Cedar Hill's private funds.

Separately Managed Accounts

We offer discretionary portfolio management services that take into consideration a client's investment objectives, risk tolerance, and investment time horizon in both taxable and tax-deferred accounts, including retirement, profit sharing and deferred compensation accounts.

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 Large 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.

Managing Core Equity Investments

Through an evaluation 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 Equity Income Investments

Cedar Hill's Equity Income Strategy is a portfolio of high dividend paying stocks that offer yields that far exceed bonds or dividends from traditional equities. The strategy's investment objective is to provide a similar total return as traditional equities, but do so mainly through current income. Investments may include:

- Master Limited Partnerships (Energy Infrastructure)
- Business Development Companies (Middle Market Lenders)
- Mortgage REITs
- Other Opportunistic Investments



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.

Managing Liquid Alternative Investments

With investors concerned about elevated equity valuations and the potential impact of rising interest rates on their bond allocations, our Liquid Alternatives Strategy's goal is to provide a portfolio with additional diversification beyond interest rate and equity market exposure.

Liquid alternative strategies are not asset classes (stocks, bonds, commodities or currencies), but instead are trading strategies invested across many asset classes. These strategies vary widely, ranging from directional strategies seeking to maximize total return to more conservative strategies with hedged exposure. In general, strategies that are more hedged offer greater portfolio diversification, while directional strategies offer higher return potential. In both cases, managers aim to take advantage of the structural market inefficiencies that often arise when investors overreact to news, causing asset prices to dislocate from fundamentals. Only managers with the flexibility to pursue such opportunities – which is not typically afforded to traditional stock and bond managers – can benefit from these market dislocations.

We believe a well-designed liquid alternatives strategy that is balanced across reward sources and risk factors has the potential to provide results (targeted between stocks and bonds) over the long-term.



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

Hedge Fund 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.

Cedar Hill's Proprietary Limited Partnerships and Fees

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

1. Paragon Master Fund, LP and Paragon QP Master Fund, LP, event-driven hedge funds of funds,
2. Pine Crest Partners I, LLC, private equity fund of funds,
3. Pine Crest Partners II, LLC, private equity fund of funds,
4. Pine Crest Actis Emerging Markets Fund, LLC, an emerging markets private equity fund,
5. RLF Opportunity Fund, LLC, a natural resources private equity fund (closed, effective December 31, 2016).
6. Pine Crest MAP 2009, LLC, a natural gas and wind royalty income fund, and
7. Pine Crest Global Asset Fund, LLC, a private real estate fund of funds.

Our proprietary alternative investment funds are closed to new investors. These funds are described on pages 9-11.



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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,
- long 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.

As disclosed in the fund documents, Cedar Hill Associates, LLC receives a quarterly administration fee at the rate of 1% per year of the Funds' Net Asset Values (NAVs). However, both Paragon and Paragon QP funds are being wound down and subsequently, the management fee was reduced to 0.5% of the Funds' Net Asset Value, effective January 1, 2017. Our goal is to distribute the investor capital when cash from the underlying investments becomes available during 2017 and complete a final audit and closure of the funds at year-end 2017.

R Squared, LLC (owned by Cedar Hill Associates, LLC), 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 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. *Pine Crest Partners I, LLC* (previously named *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.

3. *Pine Crest Partners II, LLC* (previously named 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 distributions with respect to its carried interest. Investor funds cannot be withdrawn until the partnership terminates.

4. *Pine Crest Actis Emerging Markets Fund, LLC* (previously named 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, LLC.

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



5. *RLF Opportunity Fund, LLC* is a special purpose vehicle investing via a fund concentrating on resource rich properties, including agriculture, mining, and timber. The fund was wound down as of December 31, 2016 and all assets were distributed to investors in early 2017. There are no 2017 management fees incurred for the fund. A final audit of the fund was completed and distributed at June 30, 2017.

6. *Pine Crest MAP 2009, LLC* (previously named 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 Pine Crest MAP 2009. Investor funds cannot be withdrawn until the partnership terminates.

7. *Pine Crest Global Asset Fund, LLC (PCGAF)* (previously named Cedar Hill Global Asset Fund, LLC) 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.

PCGAF 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 PCGAF.

Effective, January 1, 2017, Cedar Hill has reduced the management fee to 0.8% 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. Investor funds cannot be withdrawn until the partnership terminates.

Sub-Advisory Services to Institutional Clients

Institutional Clients that seek an independent sub-advisory discretionary relationship where the Institution continues as the principal advisor can, through an advisory agreement, hire Cedar Hill to provide investment management services to its clients. Each client enters into an investment advisory agreement with the Institution as their primary investment advisor or trust officer.



Sub-Advisory services may include assisting the Institutional Clients in identifying their investment objectives and matching their client objectives and strategies with a select list of investment portfolios, asset allocation, and securities that meet Cedar Hill's investment criteria.

ERISA Advisor Services for Retirement Plans

Cedar Hill provides discretionary advisory services for managing a client's employee benefit plan subject to the investment objectives and restrictions as described in the Plan documents. We work to provide ERISA Advisor Services consistent with ERISA rules and regulations and your Plan's Investment Policy Statement ("IPS"). We serve as a fiduciary as Investment Manager under ERISA with regard to Plan assets only to the extent the ERISA Advisor Services are set forth in the Investment Advisory Agreement.

BluePrint Portfolio Strategy

Utilizing the BluePrint platform tools, the client and Advisor with discretionary power allocates the client's assets among the different options in the BluePrint program and determines the suitability of the asset allocation and investment options for each client, based on the client's goals and objectives, investment time horizon, risk tolerance and any other pertinent factors. All Advisor BluePrint clients will directly have ownership in the underlying funds in each of the portfolio strategies they have invested in. BluePrint Portfolio Strategy investment options are fully discretionary, fund only asset allocation portfolios providing a series of portfolios positioned at various points along the risk/return spectrum that corresponds to the individual client's goals and objectives.

The BluePrint asset allocation portfolios in Mid Atlantic's ModelxChange's Platform allow for only the trading of funds including money market funds and exchange traded funds, which are free of transactional charge. The fund transactions and brokerage are conducted by Mid Atlantic Capital Corporation a registered broker-dealer and affiliate of Mid Atlantic Trust Company. The client assets are held in custody and sub-custody by Mid Atlantic Trust Company which may include qualified retirement accounts.



Item 5 – Fees and Compensation

Our fees for investment advisory services are based on a percentage of assets under management. Fee schedules for our categories of services are below, although at times we may negotiate a different fee schedule for a client.

Separately Managed Accounts

**Equity and balanced accounts,
Non-proprietary alternative investments, and
Non-Institutional Clients BluePrint Strategy Portfolios**

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

*** Fees for fixed income only accounts are subject to change if the asset mix changes.**

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 their invoice.

For Cambium legacy clients and their related accounts, fees will continue to be calculated on the clients' custodian month end balance. The monthly fee will be totaled for the prior month's ending balance on the first business day of the following month and invoiced on monthly or calendar quarter in arrears per the fees stipulated in the client's advisory agreement.



All fees paid to Cedar Hill are in addition to brokerage, transaction, and custody fees and other related costs and expenses which are borne by the client

Sub-Advisory Services to Institutional Clients

Amount of Assets	Annual % Fee
\$0 to \$25 Million	0.48%
\$25 to \$50 Million	0.46%
\$50 to \$75 Million	0.44%
\$75 to \$125 Million	0.42%
Thereafter	0.40%

ERISA Advisor Services for Retirement Plans

Amount of Assets	Annual % Fee
\$0 to \$15 Million	0.25%
\$15 to \$25 Million	0.23%
\$25 to \$35 Million	0.21%
\$35 to \$45 Million	0.19%
Thereafter	0.17%

Institutional Clients BluePrint Portfolio Strategy

Amount of Assets	Annual % Fee
\$0 and Thereafter	0.40% (Includes platform fee of 0.15%)

Clients may incur fees and expenses in assets supervised by, but not managed by Cedar Hill. These supervised assets may 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.

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



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If a client terminates the advisory agreement, Cedar Hill will continue to provide management services, per the fee schedule for separately managed accounts, for any alternative investments remaining that are supervised, but not managed, by Cedar Hill including hedge funds, real estate partnerships, and other illiquid investments. However, in the absence of liquid investments, we will be unable to make adjustments to allocations. Cedar Hill will no longer provide services or reporting when these alternative investments are terminated, fully distributed, sold, or transferred to another investor or custodian.

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 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. For participation in the BluePrint Portfolio Strategy, we generally seek to have an asset allocation portfolio above \$20,000 for each individual account size however no asset level has been mandated.

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

MSA Holdings LLC – Cedar Hill Associates, LLC is a wholly-owned subsidiary of MSA Holdings LLC, which in turn is owned by MB Financial Bank, N.A. Mitchell S. Feiger, Jill E. York, and Mark Hoppe are Executive Officers of MB Financial Bank, N.A. (MB Bank), and members of the Board of Managers for Cedar Hill Associates, LLC.

MB Bank and Cedar Hill currently share five employees who act as client representatives on behalf of both MB Bank and Cedar Hill. These dual employees are subject to all policies and procedures of both entities, including the MB Financial Bank, N.A. Wealth Management Adviser Dual Employee Program. The dual employees are registered with FINRA as Investment Advisor Representatives for Cedar Hill. Conflicts posed by dual employment are further described in Item 11.

MainStreet Investment Advisors, LLC (MainStreet) – is an investment advisor held by MSA Holdings LLC, wholly-owned by MB Financial Bank, N.A. John Crosson acts as President of Cedar Hill and President for MainStreet.

Parkside Investments, LLC – Cedar Hill compensates Parkside for providing research and management for Core Equity and Equity Income strategies. Parkside provides (i) equity research and model portfolio composition for various strategies, (ii) other research and related services as Cedar Hill requests, (iii) written model portfolio allocations for various strategies, and (iv) regular communications and meetings with Cedar Hill.

Cedar Hill has also entered into a revenue sharing arrangement with Parkside with respect to certain existing clients of Cedar Hill who become clients of Parkside. For clients subject to this agreement, Parkside will pay Cedar Hill a percentage of the fees and other revenue received by Parkside for a period of five years following the first receipt of fees and other revenue from each such client.

Neither contract between Cedar Hill and Parkside causes additional fees or expenses to be assessed to clients of either firm as all costs associated with these agreements are borne by Cedar Hill or Parkside.

National Futures Association – Cedar Hill Associates, LLC and R Squared, LLC have filed exemptions with the National Futures Association as Commodity Pool Operators (CPO) and have 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 | 4.13(a)(3) |
| • Paragon QP Fund, LP | 4.13(a)(3) |
| • Paragon QP Offshore Fund (BVI), Ltd. | 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 and Paragon QP funds may utilize commodity contracts. Other proprietary funds managed by Cedar Hill do not hold commodities. Investors in Paragon and Paragon QP Funds do not directly pay any commodity brokerage fees, as any fees incurred are expenses of the underlying investment.

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

All personnel of Cedar Hill 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 employee 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 conflicts of interests by requiring all Cedar Hill personnel to have personal or related person's transactions for reportable securities approved by Cedar Hill's Chief Investment Officer or Principal/Operations prior to execution. Cedar Hill personnel may not trade in an exchange traded or listed security (excluding mutual funds) on the same day that the security has been traded in a client's account. Employees of Cedar Hill are not allowed to participate in initial public offerings.

As a result of our affiliation with MB Financial Bank, N.A., MSA Holdings LLC and its other subsidiary (wholly-owned registered investment advisor MainStreet Investment Advisors, LLC) there will be instances when certain personnel are shared between MB, MainStreet, and Cedar Hill. Any shared personnel will have appropriate qualifications and registrations necessary to perform as Cedar Hill employees. These persons will pose a conflict because of access to information or coming into contact with same for several firms. Due to this potential conflict, all shared persons will be subject to the MB Financial Bank, N.A. Wealth Management Adviser Dual Employee Program as well as all Cedar Hill policies and procedures including Privacy Policy, Written Supervisory Procedures, Personal Trading Policies, and Code of Ethics.

All personnel of Cedar Hill – including shared personnel from MB Bank or affiliated advisory firms – have a fiduciary duty to place the interests of clients ahead of their own and ahead of the interests of any firm.



Item 12 – Brokerage Practices

Unless otherwise directed in writing, our firm prefers using an unaffiliated broker-dealer, RBC Advisor Services (RBC), a division of RBC Capital Markets, LLC, a Minnesota limited liability company – subject to ongoing best execution analysis. Under an agreement with RBC, 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.

If beneficial for certain client accounts, Cedar Hill may suggest other unaffiliated brokers or custodians with whom Cedar Hill is initiating working relationships including MidAtlantic Trust Company and TD Ameritrade.

We monitor whether or not we are receiving best execution based upon reports the custodians provide. We review these reports on a periodic basis to determine if the custodians are 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. It should be understood that by directing the use of a particular broker or dealer for the trades executed in the client's account, the client may or may not receive best execution and/or the commission discount may or may not be favorable as follows:

- Adviser will not have authority to negotiate commissions among various broker dealers on a trade-by-trade basis, or to necessarily obtain volume discounts, and best execution may not be achieved.
- In addition, a disparity in commission charges may exist between the commissions charged to the client for such trades and those charged to other clients.

Also in regard to brokerage practices, please note that we pay cash for the research we use and do not engage in soft dollar transactions.



In the course of managing your account it is possible that a trading error may occur. If we cause an error in your account, it is our policy to put your account back in the position or in an equivalent position that it would have been in had the error not occurred. Any losses that occur as a result of our error are absorbed by us. Conversely, any gains resulting from a trade error are evaluated and will be assigned to the client if the client bore the risk, otherwise, gains are moved to Cedar Hill's error account and may be retained by Cedar Hill.

Item 13 – Review of Accounts

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

- Chris Engelman, Chief Investment Officer
- Douglas Briles, Portfolio Manager
- Larry Brunette, Senior Portfolio Manager
- Mary Morrow, Portfolio Manager
- Dan Jones, Managing Director
- Asha Goldstein, Principal/Client Services
- Debbi Frenzel, Principal/Operations
- Amy Bergren, Managing Director
- Nancy Graham, Managing Director
- Lynn Lavender, Senior Managing Director
- Kamiar Vossoughi, Managing Director

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 reports of their accounts or have the option of viewing those reports online at a secure site. 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



Cambium legacy clients and their related accounts may not receive quarterly reports directly from Cedar Hill, but will continue to receive reporting from the custodian for their accounts.

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' funds and securities are held by a qualified custodian such as a bank, a clearing house, or a broker-dealer. The qualified custodian will provide Cedar Hill clients with account statements directly, at least quarterly.

Cedar Hill is deemed to have custody of certain client funds because Cedar Hill is authorized by clients, through the Wealth Management Agreement, to directly debit advisory fees. Cedar Hill cannot remove or transfer money from client accounts except by written direction of the client to the account's custodian.

Quarterly, Cedar Hill provides its clients with a report of their portfolio holdings, transactions, and performance. We urge our clients to compare reports received from Cedar Hill with account statements received from the qualified custodian.

Cedar Hill is deemed to have custody of 8 proprietary funds by virtue of Cedar Hill (or related entity R Squared, LLC) acting as General Partner or Manager of those funds. As the General Partner or Manager, Cedar Hill is required to comply with Rule 206(4)-2, known as the Custody Rule. Per the Custody Rule, pooled (multiple investor) funds of funds must have audited financial statements completed by an independent auditor at least annually and sent to all investors within 180 days after the end of the fund's fiscal year. If audited financial statements are not available within 180 days after the end of the fund's fiscal year, 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. However, if a fund utilizes a custodian, that custodian is not required to send reports of each investor's net asset value.

Cedar Hill seeks to have the independent audits completed annually and sent to all investors within 180 days after the end of each proprietary fund's fiscal year.



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 Wealth 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 asset allocation policy in effect at the time. We cannot make discretionary investments in limited partnerships.

Item 17 – Voting Client Securities

Proxy Voting Policy statement: In general, under terms of our Wealth Management Agreement, we will not vote proxies unless a client specifically requests that Cedar Hill vote proxies. However, 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). Thus, Cedar Hill may vote proxies for some, but not all clients.

Any proxies voted by Cedar Hill will be voted at Cedar Hill's discretion. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders; proxy votes generally will be cast against proposals having the opposite effect. Our Chief Investment Officer will be responsible for decisions on proxy voting and will vote in a prudent and diligent fashion and only after a careful evaluation of the issue presented on the ballot. If any proxy to be voted by Cedar Hill creates a conflict of interest between Cedar Hill and the client, the vote will be cast in the client's best interest. When a client requests Cedar Hill to vote their proxies, clients can request information as to how a proxy was voted on their behalf. Clients wishing to direct proxy votes for any solicitations should retain the right to vote proxies for their accounts.



CEDAR HILL
WEALTH MANAGEMENT

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).

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. Cedar Hill provides 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) Fair Value Measurements 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.



CEDAR HILL
WEALTH MANAGEMENT

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

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.

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.