

## **Cider Mill Investments LP**

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This brochure ("**Brochure**") provides information about the qualifications and business practices of Cider Mill Investments LP ("**Cider Mill**"). If you have any questions about the contents of this brochure, please contact Cider Mill's Chief Compliance Officer ("**CCO**") Kenneth Palumbo at 203-717-6770 or by email at [kpalumbo@cidermillinvestments.com](mailto:kpalumbo@cidermillinvestments.com). Additional information about Cider Mill is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("**SEC**") or by any state securities authority. Registration as an investment adviser does not imply that Cider Mill or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

**Item 2 - Material Changes**

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There have been no material changes to the brochure since the previous filing on July 1, 2016.

**Item 3 - Table of Contents**

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#### Item 4 - Advisory Business

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Cider Mill Investments LP (“**Cider Mill**”, the “**Firm**”, “**we**”, “**us**”, or “**our**”) is a limited partnership organized in Delaware in 2015. Cider Mill offers investment advisory services on a discretionary basis to the following private funds:

- Cider Mill Master Fund Ltd, a Cayman Islands exempted company (the “**Master Fund**”);
- Cider Mill Domestic Fund LP, a Delaware limited partnership (the “**Domestic Fund**”);
- Cider Mill Offshore Fund Ltd, a Cayman Islands exempted company (the “**Offshore Fund**”); and
- Cider Mill Intermediate Fund Ltd, a Cayman Islands exempted company (the “**Intermediate Fund**”, and together with the Domestic Fund and Offshore Fund, the “**Feeder Funds**”).

The Master Fund, Domestic Fund, Offshore Fund and Intermediate Fund are each referred to herein as a “**Fund**” or a “**Client**”, and collectively as the “**Funds**” or the “**Clients**”. The Domestic Fund invests substantially all of its assets in the Master Fund, and the Offshore Fund invests substantially all of its assets in the Master Fund through the Intermediate Fund. The Funds are managed in accordance with their own investment objectives as defined in the relevant Fund governing documents and/or offering documents (the “**Fund Documents**”) and are not tailored to any particular private fund investor (each, an “**Investor**”).

Thomas Wilcox is the principal owner of the Firm (the “**Principal**”). The “**General Partner**” of the Domestic Fund is Cider Mill GP LP, which is also principally owned by Mr. Wilcox.

As of January 4, 2017, Cider Mill managed approximately \$240,706,028 in regulatory assets under management, all managed on a discretionary basis.

#### Item 5 - Fees and Compensation

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##### **Management Fees**

As the investment adviser to the Funds, Cider Mill receives a management fee at an annual rate equal to 1.5%. The management fee is deducted quarterly, in advance, and is prorated for any investment period that is less than a full calendar quarter. Investors may withdraw a certain percentage of their investment on the last day of each calendar quarter.

The General Partner may, in its sole discretion, elect to reduce, waive or calculate differently the management fee with respect to any Investor. The General Partner will waive the management fee with respect to Investors that are affiliates of the Firm, partners and employees (and former partners and former employees) of the Firm or its affiliates, members of the families and friends of such persons, trusts or other entities primarily for their benefit or for charitable purposes and certain other Investors, as determined by the General Partner.

##### **Other Expenses**

The Feeder Funds invest in the Master Fund on substantially the same terms and conditions and therefore will generally be allocated a proportionate share of the Master Fund’s gains, losses and expenses based on their interest in the Master Fund.

The Funds will bear their own expenses, including, but not limited to, legal and other organizational expenses incurred in the formation of the Funds, operating and other expenses, including, but not limited to, investment-related expenses (e.g., brokerage commissions, clearing and settlement charges, custodial fees, interest expenses, initial and variation margin, broken deal expenses and other transactional charges, fees or costs, investment-related travel and lodging expenses, consulting, advisory, investment banking, valuation, legal and other professional fees relating to particular investments or contemplated investments, and research-related expenses), fees and expenses relating to the board of directors of the Master Fund and the Intermediate Fund, legal expenses, any expenses associated with regulatory filings, and accounting, audit and tax advice and preparation expenses.

If Cider Mill incurs any of the expenses mentioned above on behalf of the Funds, then the Firm will allocate such expenses among the Funds in proportion to the size of the investment made by each in the activity or entity to which the expense relates, or in such other manner as Cider Mill considers fair and reasonable.

For a more detailed discussion of brokerage and transaction costs, Investors are directed to “**Item 12 – Brokerage Practices**”, as well as the relevant Fund Documents.

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### **Item 6 - Performance Fees and Side-By-Side Management**

At the end of each calendar year, the General Partner (an affiliate of Cider Mill) will receive an annual incentive allocation equal to 20% of the net profits attributable to each Investor’s account, if any, subject to a “high water mark” provision. The incentive allocations are charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). This arrangement may create a theoretical incentive for the Firm to recommend investments that are riskier or more speculative than would be the case in the absence of such performance allocation.

The General Partner may, in its sole discretion, and in its capacity as general partner of the Domestic Fund, elect to reduce, waive or calculate differently the incentive allocation with respect to any Investor. The General Partner will waive the incentive allocation with respect to affiliates of the Firm, partners and employees (and former partners and former employees) of the Firm or its affiliates, members of the families and friends of such persons, trusts or other entities primarily for their benefit or for charitable purposes and certain other investors, as determined by the General Partner.

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### **Item 7 - Types of Clients**

The Firm’s clients are the Funds, which are private fund investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). The Fund Documents provide the eligibility criteria and minimum investment requirements for each Fund.

In general, each Investor in the Funds must be an “accredited investor” as defined in Regulation D under the Securities Act of 1933, as amended, and a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act. Although Cider Mill has the discretion to accept subscriptions of a lesser amount, the required minimum initial investment in the Funds is generally \$10,000,000.

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### **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

#### ***Methods of Analysis and Investment Strategy***

The investment objective of the Funds is to meaningfully outperform the S&P 500 and MSCI World indices over the long-term with similar or less volatility. The Funds will opportunistically invest across all global equity sectors, implementing a combination of a fundamental bottom-up approach with a top-down view to analyze potential risks and opportunities. This investment approach should allow the Funds to pursue a broad opportunity set not limited by sector or investment style. In addition, the Funds may occasionally invest in non-equity securities. Cider Mill considers portfolio construction and risk management to be integrated functions. Therefore, the Funds will attempt to diversify the portfolio across sectors, investment type and economic sensitivity.

### ***Risk of Loss***

The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in our investment strategies. Prospective Investors are urged to, among other things, consult their professional advisers and review the Fund Documents before deciding to make an investment.

*Limited Operating History.* The Funds, the Firm and the General Partner are newly-formed entities and have limited operating history upon which prospective Investors can evaluate the likely performance of those entities. Members of the Firm have been using some of the core strategies described herein in connection with their roles prior to joining Cider Mill. The investment program of the Funds should be evaluated on the basis that there can be no assurance that the Firm's assessment of the short-term, intermediate-term or long-term prospects of investments will prove accurate or that the Funds will achieve their investment objective.

*Risks Associated With Investments in Financial Instruments.* Any investment in financial instruments carries market risks. An investment in the Funds is highly speculative and involves a high degree of risk due to the nature of the Funds' investments and the strategies to be employed. An investment in the Funds should not in itself be considered a balanced investment program, but rather is intended to provide diversification in a more complete investment portfolio. Investors should be able to withstand the loss of their entire investment.

*Limited Liquidity.* An investment in the Funds provides limited liquidity since the interests are not freely transferable and capital may only be withdrawn at such times as set forth in the Funds Documents. In addition, the General Partner under certain circumstances may suspend withdrawals, in whole or in part.

*Incentive Allocation.* The General Partner, an affiliate of the Firm, may receive an incentive allocation from the Funds based on the realized and unrealized net capital appreciation, if any, in the net assets of the Funds, and accordingly the amount of the incentive allocation will increase with regard to unrealized appreciation, as well as realized gains. Accordingly, an incentive allocation may be made with respect to unrealized gains which may subsequently never be realized. The incentive allocation may also create an incentive for the Firm to cause the Funds to make investments that are riskier or more speculative than would be the case in the absence of a special allocation based on the performance of the Funds.

*Dependence on Key Individuals.* Investors have no authority to make investment decisions on behalf of the Funds. The General Partner has the authority for all such decisions. The success of the Funds is dependent upon the expertise of the General Partner and Mr. Wilcox, in particular, to find, develop and implement investment strategies that achieve the Funds' investment objective. If the Funds were to lose the services of Mr. Wilcox, the Funds are likely to be adversely affected.

*Systems Risk and Cybersecurity.* The Funds depend on the Firm to develop and implement appropriate systems for the Funds' activities. The Funds rely extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes including, without limitation, trading, clearing and settling transactions, evaluating certain financial instruments, monitoring their portfolios and net capital, and generating risk management and other reports that are critical to oversight of the Funds' activities. Certain of the Funds' and the Firm's operations interfaces will be dependent upon systems operated by third parties, including prime broker(s), the administrator, market counterparties and their sub-custodians and other service providers. The Funds' service providers may also depend on information technology systems and, notwithstanding the diligence that the Funds may perform on their service providers, the Funds may not be in a position to verify the risks or reliability of such information technology systems.

*General Economic and Market Conditions.* The success of the Funds' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments prices and the liquidity of the Funds' investments. Volatility or illiquidity could impair the Funds' profitability or result in losses. The Funds may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss. The economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain non-U.S. economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

*Concentration of Investments; Limited Diversification.* The Firm intends to concentrate a substantial portion of the Funds' portfolio in a small number of investments, with typically approximately 15 to 20 positions on the long side of the portfolio and 35 to 40 positions on the short side of the portfolio, with no individual position limits on either side. Subject to the Firm's risk framework, in the normal course of making investments on behalf of the Funds, the Firm may select investments for the Funds that potentially could be concentrated, for example, in a limited number or type of financial instruments or in any one issuer, industry, sector, strategy, emerging market or geographic region. Market conditions may create opportunities within certain investment strategies, which may cause the Firm to increase the concentration of certain investment strategies. Such concentration of risk may expose the Funds to losses disproportionate to those incurred by the market in general if the areas in which the Funds' investments are concentrated are disproportionately adversely affected by price movements. The Funds could be subject to significant losses if they hold a large position in a particular investment that declines in value or is otherwise adversely affected, including as a result of the default of the issuer.

*Competition.* The markets for financial instruments in the Funds' investment program are highly competitive. The Funds will be competing for investment opportunities with a significant number of financial institutions and other private funds as well as various institutional investors. Some of these competitors are larger and have greater financial, human and other resources than the Funds and may in certain circumstances have a competitive advantage over the Funds. As a result of this competition, there may be fewer attractively priced investment

opportunities than in the past, which could have an adverse impact on the ability of the Funds to meet their investment goals or the length of time that is required for the Funds to become fully invested. There can be no assurance that the returns on the Funds' investments will be commensurate with the risk of investment in the Funds.

**Equity Securities.** The Firm intends that the Funds will invest in equity securities and equity-related security derivatives. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if they invest in equity instruments of issuers whose performance diverges from the Firm's expectations or if equity markets generally move in a single direction and the Funds have not hedged against such a general move. The Funds also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

**Debt Securities.** From time to time, the Funds may invest in bonds or other fixed income securities, including, without limitation, commercial paper and "higher yielding" (and, therefore, higher risk) debt securities. It is likely that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

**Derivatives.** The Funds may utilize both exchange-traded and "over-the-counter" ("**OTC**") derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of their investment strategies and for hedging purposes. Regulatory restraints may restrict the instruments that the Funds may trade. Derivative instruments are highly volatile, involve certain special risks and expose Investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Further, when used for hedging purposes, there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in OTC contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in net asset value of the Funds, incorrect collateral calls or delays in collateral recovery. The Funds may also sell covered and uncovered options on securities. To the extent that such options are uncovered, the Funds could incur unlimited losses.

**Short Selling.** The Funds will engage in short selling of securities. Short selling involves selling securities which may or may not be owned by the seller and borrowing the same securities for delivery to the purchaser, with an obligation to return the borrowed securities to the lender at a later date. Short selling allows the seller to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities and may be an important aspect of certain of the investment strategies of the Funds. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. There can be no assurance that the



securities necessary to cover a short position will be available for purchase at the time the Funds desire to close out such a short position. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. In addition, the securities borrowed by the Funds to effect the short sale may be recalled by the lender of those securities at any time, thus forcing the Funds to purchase the securities to close out the short position at a loss.

*Credit Default Swaps.* The Funds may purchase and sell credit derivatives contracts—primarily credit default swaps (“**CDS**”)—for both hedging and other purposes. The typical CDS contract requires the seller to pay to the buyer, in the event that a particular reference entity experiences specified credit events, the difference between the notional amount of the contract and the value of a portfolio of financial instruments issued by the reference entity with a face value equal to the notional amount of the contract. In return, the buyer agrees to make periodic payments equal to a fixed percentage of the notional amount of the contract. The Funds may also transact in CDS on a basket of reference entities as part of a synthetic collateralized debt obligation transaction. CDS contracts involve different (and potentially greater) risks than if the Funds had invested in the reference obligation directly. In addition to general market risks, CDS are subject to liquidity risk and credit risk. A buyer also may lose its investment and recover nothing should no credit event occur. If a credit event were to occur, the value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value to the Funds. Settlement of such contracts may also be delayed beyond the time frame originally anticipated by counterparties. Such delays may adversely impact the Funds’ ability to otherwise productively deploy any capital that is committed with respect to such contracts. CDS generally trade on the basis of theoretical pricing and valuation models, which may not accurately reflect the value of such swap positions when established or when subsequently traded or unwound under actual market conditions.

*Futures Contracts.* The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which the Funds’ positions trade or of their clearing houses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Funds from promptly liquidating unfavorable positions and subject the Funds to substantial losses or prevent them from entering into desired trades. In extraordinary circumstances, a futures exchange or the U.S. Commodity Futures Trading Commission could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

*Use of Options.* The Funds may buy or sell (write) both call options and put options (either exchange-traded, OTC or issued in private transactions), and when the Funds write options they may do so on a “covered” or an “uncovered” basis. The Funds’ options transactions may be part of a hedging tactic (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the Funds have the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances. In general, the principal risks involved in options

trading can be described as follows, without taking into account other positions or transactions the Funds may enter into.

When the Funds buy an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the security in the case of a put, could result in a total loss of the Funds' investment in the option (including commissions). The Funds could mitigate those losses by selling short the securities as to which they hold call options or taking a long position (*i.e.*, by buying the securities or buying options on them) on securities underlying put options. When the Funds sell (write) an option, the risk can be substantially greater than when they buy an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is "covered." If it is covered, an increase in the market price of the security above the exercise price would cause the Funds to lose the opportunity for gain on the underlying security—assuming they bought the security for less than the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Funds might suffer as a result of owning the security.

The seller of an uncovered put option theoretically could lose an amount equal to the entire aggregate exercise price of the option, if the underlying security were to become valueless. If the option were covered with a short position in the underlying security, this risk would be limited, but a drop in the security's price below the exercise price would cause the Funds to lose some or all of the opportunity for profit on the "covering" short position – assuming the Funds are short for more than the exercise price. If the price of the underlying security were to increase above the exercise price, the premium on the option (after transaction costs) would provide profit that would reduce or offset any loss the Funds might suffer in closing out their short position.

*Commodity-Related Instruments.* The production and marketing of commodities may be affected by actions and changes in governments. In addition, commodity-related instruments may be cyclical in nature. During periods of economic or financial instability, commodity-related instruments may be subject to broad price fluctuations, reflecting volatility of energy and basic material prices and possible instability of supply of various commodities. Commodity-related instruments may also experience greater price fluctuations than the relevant commodity. In periods of rising commodity prices, such instruments may rise at a faster rate; and conversely, in times of falling commodity prices, such instruments may suffer a greater price decline.

*Non-U.S. Investments and Emerging Markets.* Investing in the securities of companies located outside the U.S. (including, western countries, "emerging market" countries and underdeveloped countries) involves certain considerations not usually associated with investing in securities of U.S. companies, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Funds' investment opportunities. In addition, accounting and financial reporting standards that prevail in non-U.S. countries generally are not equivalent to U.S. standards and, consequently, less information is available to shareholders of companies located in such countries than is available to shareholders of companies located in the U.S. Moreover, an issuer of securities may be domiciled in a country other than the country in whose currency the instrument is

denominated. The values and relative yields of investments in the securities markets of different countries, and their associate risks, are not expected to be highly correlated with each other and may behave in unpredictable ways. There is also less regulation, generally, of the securities markets in non-U.S. countries. While Cider Mill will take these factors into consideration in making investment decisions for the Funds, no assurance can be given that they will be able to fully avoid these risks.

*Small and Medium Capitalization Companies.* While Cider Mill believes securities in companies with small and medium capitalizations often provide significant potential for appreciation, the securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

*Leverage and Borrowing.* Leverage is a component to the Funds’ investment strategies, and certain such strategies cannot be successful without the use of a substantial amount of leverage. The use of leverage will, in many instances, enable the Funds to achieve a higher rate of return than would be otherwise possible. Accordingly, the Funds are expected to employ leverage in order to obtain investment returns. Generally, with respect to the overall portfolio of the Funds, Cider Mill generally will seek to balance the amount of leverage to be employed by the Funds and the estimated long-term volatility of the portfolio. The Funds’ perception of any strategy’s volatility is expected to change from time to time and the market for leverage is expected to be dynamic. Accordingly, the amount, kinds and pricing of leverage utilized with respect to such strategy will also change. An inability of the Funds to obtain a desired amount of leverage, however, may limit the Funds’ overall investment exposure and/or inhibit inverse correlation, thereby reducing the Funds’ performance. Leverage may take the form of, without limitation, any of the financial instruments described herein, including derivative instruments which are inherently leveraged and trading in products with embedded leverage such as options, short sales, swaps and forwards. The use of leverage will allow the Funds to borrow in order to make additional investments, thereby increasing their exposure to assets, such that its total assets are greater than its capital. The use of leverage will magnify the volatility of changes in the value of the investments of the Funds. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent the investment is leveraged. The cumulative effect of the use of leverage by the Funds in a market that moves adversely to its investments could result in substantial losses to the Funds, which would be greater than if the Funds were not leveraged.

*Currency Exposure.* Interests in the Funds will be issued, and generally withdrawal proceeds will be paid, in U.S. Dollars. The assets of the Funds may, however, be invested in financial instruments and other investments which are denominated in currencies other than U.S. Dollars. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. Cider Mill may hedge the non-U.S. currency exposure of the Funds by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts, cross-currency swaps or by shorting non-U.S. debt. However, the assets of the Funds will necessarily be subject to foreign exchange risks. In addition, prospective Investors whose assets and liabilities are predominately in other currencies should take into account the potential risk of loss arising from fluctuations in value between the U.S. Dollar and other currencies. To the extent unhedged, the value of the Funds’ positions in non-U.S. investments will fluctuate with U.S. Dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. dollar compared to the other currencies in which the Funds make

investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the Funds' financial instruments in their local markets and may result in a loss to the Funds. Conversely, a decrease in the value of the U.S. Dollar will have the opposite effect on the Funds' non-U.S. Dollar investments.

*Absence of Regulatory Oversight.* While the Funds may be considered similar to investment companies, they are not required and do not intend to register as such under the U.S. Investment Company Act, and, accordingly, the provisions of the Investment Company Act (which may provide certain regulatory safeguards to investors) are not applicable to Investors in the Funds. The Funds will not maintain custody of securities or place securities in the custody of a bank or a member of a U.S. securities exchange in the manner required of registered investment companies under rules promulgated by the SEC. A registered investment company that places its securities in the custody of a member of a national securities exchange is required to have a written custodian agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company, and which contains other provisions complying with SEC regulations. The Funds generally will maintain such accounts at brokerage firms which do not separately segregate such assets as would be required in the case of registered investment companies. Under the provisions of the Securities Investor Protection Act of 1970, as amended, the bankruptcy of any such brokerage firm might have a greater adverse effect on the Funds than would be the case if the accounts were maintained to meet the requirements applicable to registered investment companies.

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**Item 9 - Disciplinary Information**

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Neither we nor any of the Firm's management personnel are subject to, or have in the past been subject to, any criminal or civil action in any domestic or foreign court, and neither we nor any of our management personnel have been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

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**Item 10 - Other Financial Industry Activities and Affiliations**

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Neither we nor any of the Firm's management personnel have any relationships or arrangements that pose material conflicts of interest to the business of Cider Mill. Cider Mill does not recommend or select other investment advisers for its Funds.

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**Item 11 - Code of Ethics, Participation/Interest in Client Transactions, Personal Trading**

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***Code of Ethics Pursuant to Rule 204A-1 of the Advisers Act***

Pursuant to Rule 204A-1 of the Advisers Act, Cider Mill has adopted a Code of Ethics for the purpose of instructing employees about their fiduciary obligations to Clients and to provide rules for their personal securities transactions. We will provide a copy of the Code of Ethics to any Client or Investor upon request.

***Personal Trading***

In general, employees (and members of their immediate households) are not permitted to invest in single name equity securities, options on equities, bonds, futures or commodities and must obtain written pre-approval from the CCO prior to executing a sell order in any such holdings that they may have previously owned prior to their employment at Cider Mill. In addition, employees may not acquire securities for their own account in a private placement

without pre-approval from the CCO. Pre-approval from the CCO is also required before employees may engage in any outside business activity.

All employees must provide transaction reports or duplicate copies of brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies.

## **Item 12 - Brokerage Practices**

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We have full discretionary authority to manage the Funds, including the authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid.

In selecting a broker-dealer to execute transactions, we seek to obtain “best execution” meaning, generally, the execution of a securities transaction for a Client in such a manner that a Client’s total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking best execution, we take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealer’s full range and quality of their services including, among other things, the timeliness of execution, the value of research provided, the responsiveness of the broker-dealer to the Firm, and the broker-dealer’s financial resources.

### **Soft Dollars**

Cider Mill may enter into soft dollar arrangements with brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements could pose a conflict of interest for Cider Mill in that such arrangements would allow Cider Mill to pay with Client commissions expenses that would otherwise be borne by Cider Mill. If Cider Mill uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, it would receive a benefit because it would not have to produce or pay for the research, products or services. Cider Mill may have an incentive to select a broker based on Cider Mill’s interest in receiving the research or other products or services offered by such broker, rather than on Clients’ interests in receiving most favorable execution.

To the extent that Cider Mill engages in soft dollar transactions, we will comply with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under this provision, in exercising its discretionary authority to select or arrange for the selection of brokers for execution of transactions for Clients, and, subject to its duty to obtain best execution, the Firm may consider the value of research and brokerage products and services (collectively, “**Research**”) provided by such brokers. “Research” may include, among other things, proprietary research from brokers, which may be written or oral. “Research products” may include, among other things, databases and quotation services. “Research services” may include, among other things, research concerning market, economic and financial data, a particular aspect of economics or on the economy in general, statistical information, pricing data and availability of securities, financial publications, electronic market quotations, performance measurement services, analyses concerning specific securities, companies, industries or sectors, market, economic and financial studies and forecasts, appraisal services, and invitations to attend conferences or meetings with management or industry consultants. Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, a Client may pay commissions to such broker in an amount greater than the amount another broker might charge.

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**Item 13 - Review of Accounts**

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***Review of Accounts***

The portfolio of the Funds is reviewed on a continual basis by the Principal and the CCO to assure conformity with investment objectives and guidelines. We engage in active management for the Funds and accordingly review our transactions, positions and cash balances on a daily basis.

***Reporting***

We have engaged an independent administrator to send monthly unaudited capital statements to Investors. Additionally, Investors receive independently audited financial statements on an annual basis (see “**Item 15 – Custody**”).

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**Item 14 - Client Referrals and Other Compensation**

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Cider Mill does not receive economic benefits from anyone who is not a Client for providing investment advice or other advisory services to the Clients. Additionally, Cider Mill does not currently utilize any third-party marketers or solicitors.

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**Item 15 - Custody**

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Cider Mill (and any of its affiliates acting as general partner to the Funds) will comply with the requirements of the Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) with regards to our custody of the Funds’ assets.

We currently use Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC as our prime brokers and custodians. Through this arrangement, these entities will provide, among other things, clearing, custodial and record keeping services.

Cider Mill will provide all Investors with audited financial statements for the Funds in which they are invested within 120 days of such Fund’s fiscal year end. In addition, the audited financial statements will be prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”). Investors should carefully review the audited financial statements of the Funds.

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**Item 16 - Investment Discretion**

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We generally have discretionary authority to determine, without obtaining specific consent, the securities bought or sold, the amount of securities bought or sold, the broker-dealers used and the commission rates paid. Any limitations on authority are included in the relevant Fund Documents.

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**Item 17 - Voting Client Securities**

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The Firm has established proxy voting policies and procedures designed to ensure that proxies are voted in the best interest of the Clients. When voting proxies, Cider Mill must identify and address material conflicts that may arise between the Firm’s interests and those of the Funds. Specifically, Cider Mill monitors the potential for conflicts of interest that might arise from personal relationships that the Firm or its employees may have with parties involved in the vote, significant Investor relationships with those parties, and other special circumstances.

When voting proxies, if we determine that a conflict of interest exists as to a particular issuer, the CCO will determine whether the conflict is material to the vote. If it is determined not to be material, we will vote without further procedures. If it is determined to be material, we will resolve the conflict in one of several possible ways, such as by engaging a third party to recommend a vote.

Investors may request a copy of our proxy voting policies, as well as relevant proxy voting records, by contacting the CCO.

### **Item 18 - Financial Information**

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Cider Mill does not require or solicit prepayment of more than \$1,200 in fees per Fund, six months or more in advance, and therefore has not included a balance sheet. Cider Mill has no financial commitment that impairs the Firm's ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.