

Part 2A of Form ADV: Firm Brochure

Red Cedar Management, LP

March 2020

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This “**Brochure**” provides information about the qualifications and business practices of Red Cedar Management, LP. If you have any questions about the contents of this Brochure, please contact Red Cedar, by email at info@redcedarmgmt.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Red Cedar Management, LP is registered as an investment adviser with the SEC. Registration as an investment adviser does not imply that Red Cedar Management, LP or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Red Cedar Management, LP is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure is Red Cedar's annual update. Clients and prospective clients should carefully review the disclosure contained herein. There were no material changes made to this brochure since Red Cedar's last annual amendment filed in March 2019.

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Item 4: Advisory Business

Red Cedar Management, LP is a Delaware limited partnership (hereinafter “**Red Cedar**,” “**we**,” “**us**,” “**our**” or the “**Firm**”), the general partner of which is Red Cedar Management, LLC. Alexander McAree is the Managing Member of Red Cedar Management LLC, and, as a result, will direct the investment activities and operations of the Investment Manager.

We serve as the investment adviser, with discretionary trading authority, to the following private pooled investment vehicles, the securities of which are offered to qualified investors on a private placement basis: Red Cedar Onshore Fund, LP, a Delaware limited partnership (the “**Onshore Fund**”) and Red Cedar Offshore Fund, Ltd, a Cayman Islands exempted company (the “**Offshore Fund**”). Each of the Onshore Fund and the Offshore Fund invest all of their investible assets in Red Cedar Master Fund, LP, a Cayman Islands exempted limited partnership (the “**Master Fund**,” and collectively with the Onshore Fund and the Offshore Fund where applicable, the “**Fund**” or “**Funds**”). Red Cedar Onshore GP, LLC (the “**General Partner**”), an affiliate of the Investment Manager, serves as the general partner of the Onshore Fund and the Master Fund. Mr. McAree serves as the Managing Member of the Fund General Partner.

The Offshore Fund’s “**Shareholders**” and the Onshore Fund’s “**Limited Partners**” are hereafter collectively referred to as the “**Investors**” where appropriate. We do not tailor our advisory services to the individual needs of any particular Investor.

*This Brochure does not constitute an offer to sell or a solicitation of an offer to buy any securities. The Funds’ securities are offered and sold on a private placement basis under exemptions promulgated under the “**Securities Act**” of 1933, as amended, and other applicable state, federal or non-U.S. laws. Significant suitability requirements apply to prospective investors in the Funds, including requirements that they be “accredited investors” as defined in Securities Act and “qualified purchasers” as defined in the Investment Company Act of 1940, as amended. Persons reviewing this Brochure should not construe this as an offer to sell or a solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.*

Our investment decisions and advice with respect to each Fund are subject to each Fund’s investment objectives and guidelines, as set forth in its respective offering documents.

We do not currently participate in any Wrap Fee Programs.

As of December 31, 2019, Red Cedar had \$167,158,602 as of regulatory assets under management.

Item 5: Fees and Compensation

The fees applicable to each Fund are set forth in detail in each Fund’s offering documents. A brief summary of such fees is provided below.

Management Fee

Red Cedar is paid an investment management fee ("**Management Fee**") ranging from 1.00% to 1.50% per annum of the net asset value of the Master Fund. The Management Fee is charged within ten (10) days after the beginning of each quarter, and is paid in advance based on the Master Fund's net asset value on the first day of the quarter. If a new Investor account is established during a quarter, or an Investor makes an addition to its account during a quarter, the Management Fee will be prorated.

If a new Investor is admitted at any time other than the first day of a quarterly period, or an existing Investor makes an additional investment at any time other than the first day of a quarterly period, the portion of the Management Fee payable will be prorated based on the number of days remaining in such quarterly period.

The General Partner shall have the authority to alter or change the manner and method of calculating and/or paying the Management Fees for the purpose of ease of administration, including, without limitation, charging such Management Fees at the Partnership level rather than at the Master Fund level, provided that no such alteration or change in the method of calculation and/or payment, as applicable, shall in any way adversely alter or affect the substantive rights of any Investor, including, without limitation, the economic provisions and voting rights herein or in the Partnership, or otherwise adversely affect Investors.

Performance Allocation

The General Partner will be entitled to an annual Performance Allocation ("Performance Allocation") subject to a Threshold Return and Loss Carryover procedure. The Performance Allocation will be allocated at the Master Fund level, but will be calculated with respect to each limited partnership interest in the Onshore Fund and class and series of shares in the Offshore Fund (each, an "Interest") such that any feeder-fund level income and expenses will be taken into account for purposes of calculating such Performance Allocation.

The General Partner may reduce, waive, assign, grant participation in or otherwise share, reallocate or modify the Performance Allocation allocable with respect to any Investor (including for any affiliate of the General Partner or Firm) without the consent of or notice to any Investor.

In the event that a Fund is terminated, or an Investor withdraws other than at the end of a fiscal year, then for purposes of determining the Performance Allocation allocable at such time to the General Partner, net capital appreciation will be determined as of such dates, and calculated on the first day of each period, or portion thereof (in the event of a mid-year withdrawal or distribution), subject to certain adjustments.

Other Types of Fees or Expenses

The General Partner and the Investment Manager shall pay, without reimbursement by the Funds, all of their own ordinary administrative and overhead expenses, including, without limitation, all costs and expenses on account of rent, salaries, office equipment, computer equipment, supplies, wages, bonuses and other employee benefits.

Each of the Funds has incurred and will incur Organizational Expenses, Investment Expenses and Operating Expenses. The term “Organizational Expenses” means the expenses incurred by a Fund in connection with its organization. The term “Investment Expenses” means the expenses associated with the investment program of the Funds, as applicable, which includes, without limitation, brokerage expenses, commissions, dealing and spread costs (which vary depending on a number of factors, including, without limitation, the bank, broker or dealing counterparty utilized for the transaction, the particular instrument traded and the volume and size of the transaction), execution, give-up, exchange, clearing and settlement charges, initial and variation margin, regulatory commissions and fees, delivery, custodial fees, escrow expenses, insurance costs (including D&O and E&O insurance for the Investment Manager, the General Partner, outside directorship and any advisory committee to the Fund, if any), third party research (except as otherwise paid for using soft dollars within Section 28(e) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder by the SEC (the “Exchange Act”)), interest and borrowing charges on margin accounts and other indebtedness, bank, broker and dealer service fees, interest expenses and consulting, risk reporting services, trade management systems, advisory, investment banking and other professional fees relating to particular investments or contemplated investments and all other research expenses including travel and all other expenses directly or indirectly related to the investment program. The term “Operating Expenses” means a Fund’s, as applicable, operating expenses, including, without limitation, administrative expenses, custodial expenses, legal expenses, Fund-related compliance and regulatory expenses (including, without limitation, expenses related to regulatory filings in connection with a Fund’s investment activities as well as filing and Form PF filings) and expenses related to the registration, filing and reporting requirements in any jurisdiction in which interests are offered and sold including those related to Alternative Investment Fund Manager’s Directive (“AIFMD”), as applicable, external accounting expenses, audit and tax preparation expenses, interest, taxes, costs, all expenses incurred in connection with the offer and sale of Interests or interests in the Master Fund, as applicable, and all other expenses associated with the operation of the Fund, as applicable, including, without limitation, all extraordinary expenses (such as the cost of litigation or indemnification payments, if any), in addition to the Management Fees.

The Investment Manager will initially pay all of the Fund’s Organizational Expenses. The Investment Manager will be reimbursed by the Fund for all such Organizational Expenses. Each of the Funds may amortize such Organizational Expenses for accounting purposes over a period of sixty (60) months from the date the Funds, as applicable, commences operations, or such other period of time as determined by General Partner or Investment Manager, as applicable, in its sole and absolute discretion.

In the event that a Fund, as applicable, is wound up before such expenses are fully amortized, the unamortized portion of such expenses will be accelerated and debited against such Fund’s assets, as applicable, at such time.

In general, each Investor will bear its proportionate share of the expenses of the applicable Fund on a pro rata basis with respect to the relative capital account balances of limited partners in the Onshore Fund and net asset value of the shares held by a shareholder in the Offshore Fund. We may, however, allocate expenses on another basis, including by allocating certain expenses to certain (but not all) Investors, if we determine that such an allocation is more equitable.

Neither Red Cedar nor any of our employees accepts compensation for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-By-Side Management

We and our affiliates accept performance-based compensation from each of the Funds (other than clients that are not assessed performance-based compensation because it is assessed through another entity in a single master-feeder or similar structure, or affiliates or their family). As a result, we and our affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

As set forth in Item 5, the General Partner may be entitled to receive a Performance Allocation. The amount allocated to the General Partner is variable and cannot be determined in advance.

Item 7: Types of Clients

Our clients are the Funds, as described in Item 4. Any initial and additional subscription minimums are disclosed in the offering documents of each Fund, as applicable. The minimum initial investment for each Fund is \$1,000,000. In certain circumstances, minimum investment amounts may be waived.

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

The descriptions set forth in this Brochure of specific advisory services that we offer to clients, and investment strategies pursued and investments made by us on behalf of our clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy, and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each client's investment objectives and guidelines. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

Investment Objective

The Master Fund's investment objective is to generate superior returns over the course of various market cycles by investing primarily in publicly traded equity and equity-linked securities, both long and short, in the global securities markets. In addition, we may, from time to time invest in stock warrants and rights, when-issued and forward commitment securities, preferred stocks, derivative transactions, swap agreements (including, without limitation, credit default swaps), fixed income securities, securities of financially distressed companies and money market obligations, exchange-traded funds, options, call and put options on indices, futures, currencies, bank debt and trade claims, and certain other financial instruments. The Master Fund will not invest in private illiquid securities. No assurance, however, can be given that the Master Fund's investment objective will be achieved, and investment results may vary substantially on a monthly, quarterly, annual, and/or other periodic basis.

We believe that the Master Fund's investment objective may be achieved by employing a fundamental research process that Mr. McAree has developed over his 25+ years of investing. We will seek to uncover specific company factors, industry trends or demand imbalances that are not being fully recognized by the market. A longer-term view will be used to take advantage of market inefficiencies across sectors in developed or developing markets. The

objective will be to identify the key metrics for a company and predict their rate of change. The rate of change is the difference in a business or financial metric that the street doesn't anticipate. Typically, the focus is on one or two key metrics for the target company.

Risk Management

Risk is assessed at the position, portfolio, and market level. The objective to prevent outsized downside returns. However, there is no assurance that this objective can be achieved.

An investment in a Fund is speculative and involves a significant degree of risk. The Funds are designed for sophisticated investors that are able to bear a substantial loss of capital and for which an investment in the Master Fund is not a complete investment program.

Risk of Loss Factors

An investment in the Fund is speculative and involves significant risk. The profitability of the Fund ultimately depends upon us correctly assessing the future price movements of the securities, commodities, and other financial instruments in which we invest as well as the movement of interest rates. Such price movements may be volatile and are subject to numerous factors which are neither within the control of nor predictable by us. Such factors include, without limitation, a wide range of economic, political, competitive, market, legal, operational, and other conditions or events (including, without limitation, natural disasters, acts of terrorism or war) which may affect investments in general or a specific security, commodity or other financial instrument in which the Fund invests. There can be no assurance that we will be successful in accurately predicting price movements. Accordingly, Investors may incur substantial losses on their investments in the Fund, and it is possible that the Fund's performance will fluctuate substantially from period to period.

Short Sales.

The Fund will sell securities short. Selling securities short risks losing an amount greater than the proceeds received. Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed. In addition, the supply of securities that can be borrowed fluctuates from time to time. The Fund may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found or if the Fund is otherwise unable to borrow securities which are necessary to cover its positions. Although the Fund may utilize short selling as a hedging technique, short selling may also be used for speculative purposes.

Non-U.S. Investments.

The Fund may invest a portion of its assets in non-U.S. securities and interests denominated in non-U.S. currencies and/or traded outside of the United States, including, without limitation, emerging market securities and interests. Such investments require consideration of certain risks not typically associated with investing in securities traded in the United States or other assets. Such risks include, among other things, unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the United States, and certain non-U.S. companies may not be subject to accounting, auditing and financial

reporting standards and requirements comparable to or as uniform as those of U.S. companies.

Leverage.

The Fund retains the right to utilize leverage, and may do so through direct borrowing, short selling, options, and other instruments (including, without limitation, derivatives) and arrangements with embedded leverage. While strategies, techniques and instruments that employ leverage increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. If the Fund uses leverage with respect to a position, any losses would be more pronounced than if leverage were not used, and a relatively small price movement in a security or other financial instrument may result in immediate and substantial losses to the Fund, including, without limitation, losses in excess of the amount invested. The level of interest rates generally, and the rates at which such Fund may be borrowed in particular, could affect the operating results of the Fund. In addition, the lender or counterparty, as the case may be, may have a security interest in, or otherwise acquire, all or a portion of the Fund's assets. In the event that the Fund defaults under any such arrangement, such lender or counterparty may have the right to become or remain the owner of all or that portion of the Fund's assets secured pursuant to such arrangement. If such arrangement is terminated, the Fund's ability to meet its investment objective may be adversely impaired. The Fund will bear all of the costs and expenses incurred in connection therewith, including, without limitation, any interest expense charged on Fund borrowed or otherwise accessed.

In addition, certain securities, commodities, and other financial instruments which the Fund acquires may incorporate a certain, and sometimes high, degree of embedded leverage. Accordingly, even if not leveraged in the sense of being acquired with borrowings, the Fund may have highly leveraged exposure to certain securities, commodities, and other financial instruments it acquires.

Liquidity.

Investments that are made by the Fund may lack liquidity or be thinly traded. This could present a problem in realizing the prices quoted and in effectively trading the position(s). The Fund may invest in less liquid investments which could result in significant loss in value should the Fund be forced to sell the less liquid investments as a result of rapidly changing market conditions or as a result of margin calls or other factors. In certain circumstances, the Fund may also be contractually prohibited from disposing of investments for a specified period of time. Accordingly, the Fund may be forced to sell its more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of less liquid investments.

The disposition of less liquid investments often requires more time and results in higher transaction costs than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Concentration of Holdings.

At any given time, the Fund's assets may become highly concentrated within a particular company, industry, asset category, trading style or financial or economic market. In such

event, the Fund's portfolio will be more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of that particular company, industry, asset category, trading style or financial or economic market, than a less concentrated portfolio would be. As a result, if the Fund's investment portfolio becomes concentrated, its aggregate return may be volatile and may be affected substantially by the performance of only one or a few holdings. We are not obligated to hedge the Fund's positions.

Equity Securities.

The Fund will invest in equities and equity derivatives. The value of these instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from our expectations or if equity markets generally move in a single direction and the Fund has not hedged against such a general move. In its equity derivatives, the Fund is exposed to risks that issuers will not fulfil their contractual obligations to the Fund, such as, for example, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Preferred and Hybrid Securities.

We may invest in preferred stock and hybrid securities, which may have special risks. Preferred and hybrid securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If the Fund owns a preferred or hybrid security that is deferring its distributions, we may be required to report income for tax purposes even though it has not yet received such income. Some preferred and hybrid securities are non-cumulative, meaning that the dividends do not accumulate and need not ever be paid.

There is no assurance that dividends or distributions on non-cumulative preferred securities in which the Fund invests will be declared or otherwise made payable or paid. Preferred and hybrid securities are subordinated to bonds and other debt instruments in an issuer's capital structure in terms of priority to corporate income and liquidation payments and, therefore, will be subject to greater credit risk than more senior debt instruments. Because preferred stock and hybrids are generally junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of such instruments than senior debt securities with similarly stated yield characteristics. Preferred and hybrid securities may be substantially less liquid than many other securities, such as common stocks or U.S. government securities.

Convertible Securities.

We may invest in convertible securities. Convertible fixed income securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. As with all fixed income securities, the market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus may not decline in price to the same extent as the underlying common stock. Convertible securities rank senior to common stocks in an issuer's capital structure and consequently entail less risk than the issuer's common

stock. We may invest in convertible securities of any maturity and will determine whether to hold, sell or convert any security in which it has invested, depending upon our outlook for the market value for such security, the security into which it converts and/or other factors.

Small Companies.

We may invest a portion of its assets in securities of small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. Such companies may not be well-known to the investing public, may not have significant institutional ownership and may have cyclical, static or only moderate growth prospects. As a result, the securities of smaller companies may be subject to wider price fluctuations. When making large sales, the Fund may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the lower trading volume of smaller company securities.

Smaller capitalization securities may be followed by relatively few securities analysts with the result that there tends to be less publicly available information concerning these securities compared to what is available for exchange-listed or larger companies. The securities of these companies may have limited trading volumes and may be subject to more abrupt or erratic market movements than the securities of larger, more established companies or the market averages in general, and the Fund may be required to deal with only a few market makers when purchasing and selling these securities. Transaction costs in smaller capitalization stocks may be higher than those for larger-capitalized companies.

Options.

We may utilize options in furtherance of its investment strategies. Option positions may include both long positions, where the Fund is the holder of put or call options, as well as short positions, where the Fund is the seller (writer) of an option. Although option techniques can increase investment return, they can also involve a higher level of risk compared with their underlying securities. For example, the expiration of unexercised long options effectively results in loss of the entire cost, or premium paid for the option. Conversely, the writing of an uncovered put or call option can involve, similar to short selling, a theoretically unlimited risk of an increase in the Fund's cost of selling or purchasing the underlying securities, commodities or other financial instruments in the event of exercise of the option.

Hedging Transactions.

Hedging involves special risks, including, without limitation, the possible default by the other party to the transaction, illiquidity and, to the extent our view as to certain market movements is incorrect, the risk that the use of hedging could result in losses greater than if such investment strategies had not been used. We may utilize financial instruments for risk management purposes. The success of the hedging strategy of the Fund will be subject to our ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Because the characteristics of many assets change as markets change or time passes, the success of our hedging strategy will also be subject to our ability to

continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transactions. For a variety of reasons, we may not seek to hedge certain portfolio holdings, or may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Moreover, the portfolio may be exposed to certain risks that cannot be hedged.

When conducted outside the United States, hedging may not be regulated as rigorously as in the United States, may not involve a clearing mechanism and related guarantees and will be subject to the risk of governmental actions affecting trading in, or the prices of, foreign securities, currencies, commodities and other financial instruments. The value of positions taken as part of non-U.S. hedging also could be adversely affected by (i) other complex foreign political, legal and economic factors; (ii) lesser availability of data on which to make trading decisions than in the United States; (iii) delays in our ability to act upon economic events occurring in foreign markets during non-business hours in the United States; (iv) the imposition of different exercise and settlement terms and procedures and margin requirements than in the United States; and (v) lower trading volume and liquidity.

Counterparty Creditworthiness and Risk.

We will engage in transactions in securities, commodities and/or other financial instruments that involve counterparties, and no counterparty exposure limits have been imposed on these transactions. Under certain conditions, a counterparty to a transaction could default or the market for certain securities, commodities and/or other financial instruments may become illiquid. In addition, the Fund could suffer losses if there were a default or bankruptcy by third parties, including, without limitation, brokerage firms and banks with which the Fund does business, or to which securities have been entrusted for custodial purposes.

The loan counterparties with which the Fund may effect transactions may not be subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, will not be available in connection with the Fund’s lending activities. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus subjecting the Fund to suffer a possible loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. We are not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund. We intend to diversify and mitigate counterparty risk as appropriate.

Derivative Instruments.

We may invest capital with or through third parties through swaps, total return swaps and other derivative instruments. We may take advantage of opportunities with respect to certain other derivative instruments that are not currently contemplated for use or that are currently

not available, but that may be developed, to the extent such opportunities are both consistent with their investment objectives and legally permissible. Special risks may apply to instruments that are invested in by the Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by us. Certain swaps, total return swaps and other derivative instruments may be subject to various types of risks, including, without limitation, market risk, liquidity risk, the risk of non-performance by the counterparty, including, without limitation, risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

Futures.

The Fund will employ futures contracts, or options on such contracts, which involve the future purchase or sale of securities, commodities, financial instruments or market baskets of securities, such as various securities indices. Use of futures contracts and options thereon involve the contractual commitment to purchase or sell the underlying instrument at a future date. The eventual price of such instrument may be influenced by a broad variety of market, economic and issuer-specific events and risks, many of which may be difficult to predict or assess. Futures trading involves relatively small invested capital relative to risk exposure and therefore can increase, perhaps significantly, portfolio volatility and exposure to loss.

Swap Agreements.

We may enter into swaps, total return swaps and other derivative instruments with or through third parties. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Fund's exposure to long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, corporate borrowing rates or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. We are not limited to any particular form of swap agreement if consistent with the Fund's investment objective and policies. Swap agreements tend to shift the Fund's investment exposure from one type of investment to another. For example, if the Fund agrees to exchange payments in dollars for payments in non-U.S. currency, the swap agreement would tend to decrease the Fund's exposure to U.S. interest rates and increase its exposure to non-U.S. currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Fund's portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Fund. If a swap agreement calls for payments by the Fund, we must be prepared to make such payments when due. This is only true in default and not part of mark-to-market. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses.

Other Derivative Instruments.

We may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Fund and legally permissible. Special risks may apply to instruments that are invested in by the Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by the Fund. Certain swaps, options and other

derivative instruments may be subject to various types of risks, including, without limitation, market risk, liquidity risk, the risk of non-performance by the counterparty, including, without limitation, risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

Temporary Investments in Liquid Assets.

We may at times keep a portion of its assets in cash, cash equivalents or other liquid assets, including, without limitation, currencies, bank deposits, certificates of deposit, bankers acceptances, one or more short duration Funds (including, without limitation, money market instruments or investments in shares or units of money market Fund) and/or government securities (both short-term and long-term). Such investments may be financed by entering into repurchase agreements and/or reverse repurchase agreements with the Fund's brokers or by other means. Investors should be aware that such investments may produce a lower return than other investments contemplated by the Fund and, therefore, may impact the overall performance of the Fund. The fact that a portion of the Fund's assets are held in cash or cash equivalents should not be taken as an indication that the Fund has not fully invested all of its assets. Further, Investors should not assume that an investment in the Fund is less risky due to the fact that the Fund may, from time to time, hold a significant portion of its assets in cash and cash equivalents.

Currency Risk.

We may or may not cause the Fund to enter into arrangements in an attempt to hedge the Fund's exposure to significant currency fluctuations between the U.S. Dollar and other currencies. Therefore, the Fund may be exposed to fluctuations in currency and interest rates to the extent the movement in such rates affects the Fund's portfolio. Price movements of currencies and interest rates are difficult to predict accurately because they are influenced by, among other things, changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly. We cannot guarantee that the Fund's portfolio will not be effected substantially by currency price and interest rate movements and the Fund may suffer significant losses as a result thereof.

New Issues.

The Fund may invest in "new issues" and, therefore, the Fund and the Fund may be deemed to have "new issue" income. Restricted persons and Prospective Investors that do not properly complete the "new issues" questionnaire in the Subscription Agreement will not be allocated increases and decreases in Net Worth attributable to "new issues" investments, subject to certain de minimis exemptions permitted by applicable FINRA rules. Investors who are partially or completely restricted from participating in "new issues" may have an economic disadvantage as compared to those Investors who do participate in "new issues" since some of the Fund's assets will be used to fund the purchase of "new issues" as to which such restricted Investors will derive no or limited benefit.

Frequency of Trading.

Some of the strategies and techniques employed by us require frequent trades to take place and, as a consequence, portfolio turnover and brokerage commissions may be greater than for other investment entities of similar size.

Concentration.

While we intend to allocate the Fund's equity among a number of investments, there are no fixed allotments. Therefore, although we seek a diversified portfolio, there is a risk that one of the investments may have a disproportionate share of the Fund's assets or that the Fund's portfolio will be highly concentrated and more susceptible to adverse conditions, poor investment decisions or other factors which negatively affect the performance of the Fund.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

None of the Firm or our management persons are registered as broker-dealers, and none of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

Red Cedar meets the definition of a commodity pool operator ("**CPO**") and, depending on the amount of commodity interests that we trade on behalf of our clients, we may be required to register with the CFTC and become a member of the National Futures Association ("**NFA**"). However, we currently plan to claim an exemption from registration as a CPO with respect to the Offshore Fund, and the General Partner currently plans to claim an exemption from registration as a CPO with respect to the Onshore Fund and the Master Fund, in each case pursuant to CFTC Rule 4.13(a)(3) based on the Funds holding a de minimis level of commodity interests.

We do not recommend or select other investment advisers for our clients.

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

Code of Ethics

Red Cedar has adopted a "**Code of Ethics**" that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees' personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Funds and Investors first;

- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Employee Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Personal Securities Trading

Employees, their spouses, immediate family members and other dependents, are required to direct their brokers to send duplicate copies of personal discretionary brokerage account statements to the CCO. These records are used to monitor compliance with Red Cedar's "**Employee Investment Policy**." The Employee Investment Policy restricts employees' personal securities trading to only liquidating trades of securities held by the employee at the time of employment with the Firm (a "**Liquidating Trade**") or gifting of securities held by the employee at the time of employment with the Firm. Employees also are prohibited from participating in initial public offerings (IPOs).

Employees must obtain pre-approval from the CCO before: (i) making a Liquidating Trade; (ii) engaging in any outside business activities that may present a conflict with the employees' duties at the Firm; or (iii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor or client, upon request.

Participation or Interest in Client Transactions

Neither we nor our related persons generally purchase any securities for our own accounts from, or sell any securities for our own accounts to, the Funds. We may purchase or sell securities that we also recommend to our clients. The firm will be cognizant of its fiduciary duty to its clients if this occurs. We may solicit qualified clients to invest in a Fund. We could be considered to have recommended an investment in a Fund as suitable for a client as a result of our relationship with the Fund. We will inform each client of our relationship with a Fund prior to the client's investment, but we do not intend to advise clients as to the appropriateness of the investment and we will not receive any compensation for selling interests in a Fund (except to the extent that we receive our Management Fee and Performance Allocation from Investors).

We disclose these, and other potential conflicts of interest, to Investors in the Funds' offering documents. Offering documents are delivered to Investors prior to their investment and Investors are given the opportunity to ask questions and seek answers regarding, among other things, potential conflicts involving us, our affiliates, or the executive officers of the foregoing.

Item 12: Brokerage Practices

Red Cedar is authorized to determine the broker-dealer to be used for executing securities transactions for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. The Funds' securities and other assets are held in securities accounts at our prime brokers that are "Qualified Custodians" as defined in the Advisers Act.

Best Execution

In selecting an appropriate broker-dealer to effect a client trade, 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 will take into consideration a number of qualitative and quantitative factors, including: the ability to achieve prompt and reliable executions; the ability to obtain access to a security; the financial stability and reputation of the particular broker-dealer; the quality, comprehensiveness, frequency of available research and related services considered to be of value to the Master Fund; and the competitiveness of commission rates in comparison with other broker-dealers satisfying the other selection criteria. Research and related services furnished by broker-dealers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing services and discussions with research personnel.

Soft Dollars

"**Soft Dollar**" credits, generated by the Master Fund's trading activities, are used to purchase brokerage and research services or products that would otherwise have been our expense. We intend to keep any such Soft Dollar arrangements within the parameters of the safe harbor of Section 28(e) of the Exchange Act.

Aggregation of Orders

We may aggregate purchase and sale orders of securities, commodities and other financial instruments held by the Master Fund with similar orders being made simultaneously for other accounts or entities if, in our reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Master Fund based on an evaluation that the Master Fund will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of securities, commodities and other financial instruments for the Master Fund will be affected simultaneously with the purchase or sale of like securities, commodities and other financial instruments for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume purchased or sold. In such event, the average price of all securities, commodities or other financial instruments purchased or sold in such transactions may be determined, at our sole and absolute discretion, and the Master Fund may be charged or credited, as the case may be, with the average transaction price.

However, we will not cause or allow the Master Fund to enter into any contract or transaction with an affiliate or principal of the Master Fund, the General Partner and/or the Firm unless such transaction is upon terms no less favorable to the Master Fund than it would obtain in a comparable arm's length transaction with a person or entity which is not an affiliate or principal of the Master Fund, the General Partner and/or the Firm, as applicable.

Allocation of Trades

We may at times determine that certain securities, commodities or other financial instruments will be suitable for acquisition by the Master Fund and by other accounts managed by us and/or our affiliates, possibly including, but not limited to, our own accounts, or accounts of affiliates. If that occurs, and we and/or any of our affiliates are unable to acquire the desired aggregate amount of such securities, commodities or other financial instruments on terms and conditions which we and/or our affiliates, as applicable, deem advisable, we and/or our affiliates, as applicable, will endeavor to allocate in good faith the limited amount

of such securities, commodities or other financial instruments acquired among the various accounts for which we and/or our affiliates, as applicable, consider them to be suitable. We and/or our affiliates, as applicable, cannot guarantee the same purchase or sale price and same purchase or sale timing and may make such allocations among the accounts in any manner which we and/or they, as applicable, consider to be fair under the circumstances, including, without limitation, allocations based on relative account sizes, the degree of risk involved in the securities, commodities or other financial instruments acquired and the extent to which a position in such securities, commodities or other financial instruments is consistent with the investment policies and strategies of the various accounts involved.

Item 13: Review of Accounts

Our portfolio managers and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Master Fund to ensure that they conform with the investment objectives and guidelines that are stated in the Funds' offering documents. In these reviews, we pay particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

Account Reporting

We perform various periodic reviews of each client's portfolio. Such reviews are conducted by our officers.

We will distribute annual audited financial statements with respect to the previous fiscal year to all Investors within 120 days of the relevant Fund's fiscal year end. We also may distribute other interim reports to Investors.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

Item 15: Custody

We will comply with the Advisers Act's Custody Rule by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the relevant Fund's audited financials to Investors within 120 days of such Fund's fiscal year end.

Item 16: Investment Discretion

We will have full discretionary authority over the Master Fund including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities.

Item 17: Voting Client Securities

In compliance with the Advisers Act's Proxy Voting Rule, we have adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "**Proxies**") in a prudent and diligent manner that will serve the applicable client's best interests and is in line with each client's investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

In limited circumstances, we may refrain from voting Proxies where we believe that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to our clients. Generally, clients may not direct our vote in a particular solicitation.

Conflicts of interest may arise between the interests of the clients on the one hand and us or our affiliates on the other hand. If we determine that we may have, or be perceived to have, a conflict of interest when voting Proxies, we will vote in accordance with our Proxy voting policies and procedures.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.