
Red Cedar Investment Management, LLC

Form ADV Part 2A

333 Bridge Street NW, Suite 601
Grand Rapids, MI 49504
(513) 345-4414
www.RedCedarIM.com

March 23, 2021

This brochure provides information about the qualifications and business practices of Red Cedar Investment Management, LLC (“Red Cedar”). If you have any questions about the contents of this brochure, please contact us at (513) 345-4414. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Item 2 Material Changes

Red Cedar has made the following material changes to its Disclosure Brochure since its last update on January 15, 2021:

Item 5: The Advisor updated composite fee scheduled and clarified its billing language.

Item 7: The Advisor updated its composite account minimums.

Item 10: The Advisor updated information regarding its affiliates.

Item 3 Table of Contents

Item 2	Material Changes.....	2
Item 3	Table of Contents.....	3
Item 4	Advisory Business.....	4
Item 5	Fees and Compensation	6
Item 6	Performance-Based Fees and Side-by-Side Management.....	9
Item 7	Types of Clients.....	9
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9	Disciplinary Information	14
Item 10	Other Financial Industry Activities and Affiliations.....	14
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Item 12	Brokerage Practices.....	17
Item 13	Review of Accounts.....	22
Item 14	Client Referrals and Other Compensation	23
Item 15	Custody.....	23
Item 16	Investment Discretion.....	24
Item 17	Voting Client Securities.....	24
Item 18	Financial Information	25

Item 4 Advisory Business

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

Red Cedar is majority owned by Bridge & Vine, LLC with 51% ownership (Bridge & Vine), and is also owned by The 4100 Group, Inc. (“4100 Group”) with 49% ownership. Bridge & Vine is owned by Red Cedar employees. The 4100 Group is owned by Delta Dental Plan of Michigan, Inc. (“Delta Dental of Michigan”), a Michigan non-profit dental care corporation, and Delta Dental Plan of Ohio, Inc. (“Delta Dental of Ohio”), an Ohio non-profit health insuring corporation. Delta Dental of Ohio is controlled by Delta Dental of Michigan, which in turn is a wholly owned subsidiary of Renaissance Health Services Corporation (“RHSC”).

Investment Management Services

Red Cedar provides discretionary investment management services to institutional client portfolios based on the client’s investment objectives and investment restrictions as described in each client’s investment advisory agreement and Investment Policy Statement. (“IPS”). In connection with the development of the IPS, Red Cedar will consider reasonable client requests regarding investment restrictions and will tailor its advice based on the applicable base asset allocation models. Red Cedar also considers applicable regulatory requirements as communicated by the client when managing its account. In general, Red Cedar manages client accounts according to a valuation based asset allocation model developed by its Investment Committee.

The asset allocation models will generally be implemented through the use of one, or a combination of, the following types of investments: Exchange Traded Funds (“ETFs”), mutual funds, exchange-traded equity securities, fixed income securities and the allocation of a portion of account assets to be managed by one or more third party investment advisers (“third party managers”). Additionally, Red Cedar will utilize, as mutually agreed upon with a client, other security types, such as money market funds and other short term financial instruments, for all or a portion of a client’s account(s).

These arrangements are detailed in the client’s investment advisory agreement and/or IPS.

Red Cedar enters into investment management agreements with third party managers whereby the third party manager is engaged to sub-advise a portion of a client(s) assets as directed by Red Cedar. Whenever a portion of client assets are allocated to a third party manager as part of a client’s asset allocation, Red Cedar performs periodic due diligence of the manager(s) and monitors clients’ accounts to ensure the third party managers are managing each client’s assets in accordance with the client’s investment advisory agreement and IPS. Red Cedar’s agreement

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

with the client grants Red Cedar the authority to hire or fire these managers on behalf of the client.

As part of its investment management services, Red Cedar also provides cash management services to certain of its enterprise affiliate clients, as directed in these clients' investment advisory agreements and/or IPSs. Cash management services include monitoring a client's cash accounts (not under Red Cedar's mandate) and investment account(s) (under Red Cedar's mandate) and making recommendations related to transferring assets between the accounts. Recommendations are based on the client's investment goals, operating cash needs, regulatory requirements and other considerations agreed upon with the client. Providing cash management services creates a conflict of interest as Red Cedar has incentive to make recommendations to the client that would increase regulatory assets under management and fees earned by Red Cedar. This conflict is mitigated as: (a) Red Cedar provides its cash management recommendations pursuant to parameters agreed upon with the client; (b) Red Cedar obtains approval from the client before a cash management recommendation is transacted; (c) Red Cedar requires the client to execute transfers of assets from accounts not under management to accounts under management; and (d) Red Cedar executes transfers between accounts under management or from accounts under management to accounts not under management via standing letters of authorization from the client. Red Cedar does not charge additional fees for cash management services provided.

Mutual Fund Portfolio Management

Red Cedar serves as the investment advisor to the Red Cedar Short Term Bond Fund, and serves as the sub-adviser to the North Square Strategic Income Fund (the "Funds"). The Red Cedar Short Term Bond Fund is a series portfolio of the Red Cedar Fund Trust, an open-end investment company registered under the Investment Company Act of 1940. The North Square Strategic Income Fund is a series portfolio of the Investment Managers Series Trust, an open-end investment company under the Investment Company Act of 1940.

Further information is available in the Fund Prospectus and Statement of Additional Information ("SAI"). These documents are available by calling 513-345-4414.

Non-Supervised Assets

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

Assets Under Management

As of December 31, 2020, Red Cedar had assets under discretionary management of

approximately \$1,565,296,125 and assets under non-discretionary management of \$0.

Item 5 Fees and Compensation

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

<u>Assets</u>	<u>Annual Fee</u>
\$25,000,000 and below	0.40%
\$25,000,001 - \$50,000,000	0.30%
\$50,000,001 and greater	0.25%

The fee schedule for the RCIM Core Composite is as follows:

<u>Assets</u>	<u>Annual Fee</u>
\$25,000,000 and below	0.30%
\$25,000,001 - \$50,000,000	0.20%
\$50,000,001 and greater	0.10%

The fee schedule for the RCIM Core Plus Composite is as follows:

<u>Assets</u>	<u>Annual Fee</u>
\$25,000,000 and below	0.40%
\$25,000,001 - \$50,000,000	0.30%
\$50,000,001 and greater	0.20%

The fee schedule for the RCIM Dividend Growth Composite is as follows:

<u>Assets</u>	<u>Annual Fee</u>
\$25,000,000 and below	0.60%
\$25,000,001 - \$50,000,000	0.50%
\$50,000,001 and greater	0.40%

The fee schedule for the RCIM Dividend Growth Premium Income Composite is as follows:

<u>Assets</u>	<u>Annual Fee</u>
\$25,000,000 and below	0.60%
\$25,000,001 - \$50,000,000	0.50%
\$50,000,001 and greater	0.40%

The fee schedule for the RCIM Short Term Bond Composite is as follows:

<u>Assets</u>	<u>Annual Fee</u>
\$25,000,000 and below	0.25%
\$25,000,001 - \$50,000,000	0.15%

Red Cedar Investment Management, LLC

Form ADV Part 2A

March 23, 2021

\$50,000,001 and greater	0.10%
--------------------------	-------

The fee schedule for the RCIM Strategic Income Bond Composite is as follows:

<u>Assets</u>	<u>Annual Fee</u>
\$25,000,000 and below	0.50%
\$25,000,001 - \$50,000,000	0.40%
\$50,000,001 and greater	0.30%

The fee schedule for the RCIM LDI Composite One is as follows:

<u>Assets</u>	<u>Annual Fee</u>
\$25,000,000 and below	0.30%
\$25,000,001 - \$50,000,000	0.20%
\$50,000,001 and greater	0.10%

The fee schedule for the RCIM LDI Composite Two is as follows:

<u>Assets</u>	<u>Annual Fee</u>
\$25,000,000 and below	0.30%
\$25,000,001 - \$50,000,000	0.20%
\$50,000,001 and greater	0.10%

The fee schedule for the RCIM Preferred Securities Composite is as follows:

<u>Assets</u>	<u>Annual Fee</u>
\$25,000,000 and below	0.50%
\$25,000,001 - \$50,000,000	0.40%
\$50,000,001 and greater	0.30%

The annual fee is tiered, which results in lower fees as assets in the client's account(s) increase. For example, account(s) with a value of \$60,000,000 subject to RCIM's standard fee schedule for institutional clients would pay 0.40% on the first \$25,000,000, 0.30% on the next \$25,000,000, and 0.25% on the remaining assets. In some cases, accounts of affiliated clients are aggregated when calculating fees using the tiered fee schedule above.

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

General

Fees are generally payable quarterly in arrears. Fees paid in arrears are calculated based on the

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

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

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

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

In cases where Red Cedar allocates a portion of a client's account to a third party manager pursuant to a sub-advisory agreement, the third party manager's fees are generally exclusive of, and in addition to, Red Cedar's investment advisory fee set forth above. Third party managers generally deduct their advisory fees directly from a client's account and likely impose varying billing practices from those disclosed above.

Investment Companies

Red Cedar advises or sub-advises open-end investment companies (each, a "Mutual Fund", or, collectively, the "Mutual Funds") and the Mutual Funds compensate Red Cedar for the provision of services in accordance with investment advisory agreements or investment sub-advisory agreements, as applicable, approved by the Board of Trustees of each Mutual Fund. Advisory fees are calculated separately for each Mutual Fund at a specified annual percentage of the Mutual Fund's average daily net assets. Red Cedar may affect fee waivers or assumption of expenses by entering into voluntary or contractual agreements. Voluntary fee waivers or commitments to reimburse expenses may be rescinded at any time without further notice to investors. Each waiver or reimbursement of an expense by Red Cedar is subject to repayment by the Funds within the three fiscal years following the fiscal year in which the particular expense was incurred, provided that the Fund is able to make the repayment without exceeding contractual agreements.

Please refer to the Prospectus or Statement of Additional Information ("SAI") of the Mutual Funds for a more detailed description of all Mutual Fund fees.

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

Portfolio management clients of Red Cedar clients who also invest in the Mutual Funds will pay only those fees charged to investors by the mutual fund, i.e., the value of the client's investment in the mutual fund is excluded from our quarterly portfolio management fee calculation.

Account Valuation Practices

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

Red Cedar uses pricing information provided by ICE Data Services ("ICE") as its primary pricing source to value client accounts. If a price for a managed asset is not available through ICE, a secondary pricing source will be used, such as Bloomberg. If Red Cedar cannot obtain a price from a pricing vendor or if Red Cedar does not believe the price received from a vendor is reflective of market value, Red Cedar's Investment Committee will determine a fair value for that security.

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

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

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

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

Item 7 Types of Clients

Red Cedar provides discretionary investment management services to institutional clients including pension and retirement plans, registered investment companies, corporations, and foundations.

Red Cedar has a general account minimum of \$1,000,000. The RCIM Core Composite has an account minimum of \$10 million as of January 1, 2019. The RCIM Core Plus Composite has an

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

account minimum of \$15 million as of January 1, 2019. The RCIM Short Term Bond Composite has an account minimum of \$15 million as of January 1, 2020. The RCIM Strategic Income Bond Composite has an account minimum of \$20 million as of April 1, 2020. The LDI-Composite One has an account minimum of \$20 million as of December 1, 2020. The LDI-Composite Two has an account minimum of \$20 million as of December 1, 2020. The RCIM Preferred Securities Composite has an account minimum of \$200,000 as of January 1, 2021.

The minimums indicated above may be waived or negotiated in whole or in part at the discretion of Red Cedar management.

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

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

Client portfolios are guided by a comprehensive Investment Policy Statement (IPS), which prescribes the investment philosophy, Valuation Based Asset Allocation, long-term investment goals, investment restrictions, and management procedures used to manage assets in a prudent and consistent manner. Red Cedar implements a diversified portfolio strategy through a mix of traditional and alternative asset classes using individual securities, exchange traded funds, mutual funds and private funds. Red Cedar consults with clients initially and on an ongoing basis to develop an individually tailored IPS based on the client's needs, risk tolerance, time horizon and other factors. Clients are advised to promptly notify Red Cedar if there are changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Red Cedar's management services. Red Cedar then invests the client's assets in the base asset allocation model(s) best suited to achieve the client's investment goals. Although Red Cedar generally manages client accounts using base asset allocation model(s), clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in Red Cedar's sole discretion, the conditions will not materially impact the performance of a recommended portfolio strategy or prove overly burdensome to its management efforts.

Achieving client objectives over the long term requires a commitment to an appropriate Valuation Based Asset Allocation Policy that balances risk and return. This approach to asset allocation analyzes the long-term performance characteristics of various asset classes to create a diverse portfolio, while also analyzing the price of those asset classes to determine fundamental relative value. The enterprise attempts to minimize investment risk through diversification and prudent investment decisions. It is recognized that risk and liquidity posture is, in large part, a function of asset class mix. The performance characteristics of various asset classes are reviewed at least annually, focusing on balancing the risks and rewards of market behavior. Based on these characteristics, appropriate Valuation Based Allocation ranges (measured by market value) are constructed for the client portfolios.

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

This allocation takes into account the changing dynamics of the capital markets and forecasts of expected returns of each asset class over long periods of time, typically greater than five years. This length of time should be sufficient to allow asset class characteristics to emerge. Tactical adjustments are made to the asset mix within the prescribed ranges to exploit market inefficiencies in relative value amongst the asset classes.

Mutual Funds, ETFs and Third Party Managers

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

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

Fixed Income

Red Cedar utilizes both a top/down and bottom/up approach in managing fixed income securities. The fixed income portion of a client portfolio is constructed based upon a global macro view of the economy, geopolitical and capital market considerations. The research used to develop this top/down portfolio structure is generally news publications from major, global daily news sources. Red Cedar also analyzes the content from monthly and quarterly economic data provided by various government, agency, and private sources from around the world. Additionally, Red Cedar relies upon unbiased third-party research. To a lesser degree, Red Cedar relies upon research provided by dealers. Red Cedar also utilizes quantitative methods it has developed to ascertain where sectors lie upon the valuation continuum in the fixed income universe. This input allows Red Cedar to develop targets for sector allocation and different types of risk within the fixed income portfolio. These risks include, but are not limited to, interest rate risk, credit risk, call risk, volatility risk, convertible risk, and liquidity risk. Red Cedar monitors these risks daily by utilizing Bloomberg Port, Bloomberg AIM, and Clearwater. As the global economy, geopolitics, and valuations change, adjustments are made to the overall fixed income portfolio structure.

For bottom/up analysis, or individual security selection, Red Cedar utilizes a variety of sources to build the portfolio. Fundamental credit analysis is derived from analytical tools Red Cedar

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

has built utilizing company-specific financial data. Red Cedar also relies upon quarterly earnings reports from the companies, as well as interviews with management that articulate their forward-looking guidance. Additionally, comprehensive independent third-party research is utilized in making credit decisions. Red Cedar's Investment team holds weekly credit meetings to monitor risks and gauge the credit quality of the securities in client accounts.

Selection of asset-backed securities, commercial mortgage-backed securities and mortgage-backed securities is based upon scrutinizing analytical data of the individual security pools. Screening tools are utilized to identify securities with more favorable characteristics, such as better convexity or improving credit fundamentals and credit support. Securities are stress-tested for various scenarios, including worst case propositions. Securities are then monitored through a surveillance process which includes monthly pre-payment speeds, delinquencies, defaults, and severities.

Preferred securities are selected by analyzing the individual credits, as well as the structure (callability) of the security. Yield to Call, Yield to Worst, and Yield to Maturity are all considered in the decision-making process. Capital structure analysis is utilized to ascertain whether this is best part of the capital structure to own. Analysis of a company's capital adequacy and capital cushion is monitored carefully as earnings results and market capitalization can change frequently. Additionally, regulatory risk is considered from a qualitative viewpoint. As valuations and risks change at the individual security level, Red Cedar makes relative value decisions to adjust the portfolios in a manner to meet its objectives.

Equity Strategies

Red Cedar manages dividend growth portfolios with a unique combination that includes:

- A strong fundamental approach, seeking high quality companies able to provide dividend growth, that incorporates both a valuation and a relative strength discipline.
- A differentiated focus on growth in dividends and earnings (instead of a focus on yield alone).
- The perspective that a company/stock must be in a position to improve its key metrics and continue to compete effectively in its markets.

Red Cedar's fundamental research includes financial reviews, competitive and trend analysis, valuation work and relative strength analysis. Red Cedar maintains two key strategies: Dividend Growth and Dividend Growth Premium Income. The former has added flexibility (can invest in high growth or attractive value up to a 20% total portfolio maximum) and the latter has more of an income focus. The investment philosophy of the both strategies is based on the belief that companies with an attractive dividend yield, enhanced growth in dividends, and consistent earnings results provide capital protection and competitive long-term total return.

Material Investment Risks

Investing in securities involves the risk of loss that clients should be prepared to bear, including the loss of principal. Red Cedar does not assure or guarantee the results of any of its recommendations and does not guarantee that it will be successful in meeting investment goals or objectives. Certain material risks relating to the advice and recommendations provided by

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

Red Cedar are set forth below, but this section does not attempt to identify every risk or to describe completely those risks it does identify.

Market Risk

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

Management Risk

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

Third Party Manager Risk

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

Equity Risk

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

Fixed Income Risk

The issuers of fixed income securities may fail to make interest and principal payments which will affect the credit rating of the issuer and the price of the fixed income security. Bankruptcy or insolvency of the issuer may result in total loss of principal. Fixed income security values also fluctuate in response to market interest rates.

ETF Risk

Red Cedar recommends ETFs as part of client accounts. Additionally, a mutual fund or third party manager recommended by Red Cedar may invest in ETFs. ETFs, depending on size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of

the ETF or enhancing downward price movement. Certain ETFs may also employ leverage, which increases volatility and creates additional costs to the ETF due to interest on the leverage.

Municipal Securities Risk

Red Cedar may invest in fixed income securities of municipal issuers, which have unique risks when compared to other fixed income securities. Municipal fixed income securities rely on the municipality's ability to raise tax or other revenue in order to make interest or principal payments to investors.

REIT Risk

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

Cybersecurity Risk

Red Cedar relies on information technology and electronic communications to conduct business, which subjects Red Cedar and its clients to the risk of cyber incidents. While Red Cedar has controls it believes are reasonably designed to protect against cyber incidents resulting in unauthorized access to confidential information or business disruptions, not all cyber incidents are preventable. Should a cyber incident occur, it would likely have a negative impact on Red Cedar and its clients.

Counterparty Risk

Red Cedar may engage in transactions for clients in securities and financial instruments that involve counterparties. Under certain conditions, clients could suffer losses if a counterparty to a transaction were to default or if the market for certain securities or financial instruments were to fail. In addition, clients could suffer losses in the event of a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the client does business.

Item 9 Disciplinary Information

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

Item 10 Other Financial Industry Activities and Affiliations

The following describes Red Cedar's relationships with affiliates in the financial industry and related conflicts of interest, including how Red Cedar manages those conflicts.

Enterprise Affiliates

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

As noted in Item 4, Red Cedar is partially owned by the 4100 Group, which is owned by Delta Dental of Michigan and Delta Dental of Ohio. Delta Dental of Ohio is controlled by Delta Dental of Michigan, which in turn is a wholly owned subsidiary of RHSC. As a result of these relationships, Red Cedar has various enterprise affiliates that are under the common control of 4100 Group, Delta Dental of Michigan and RHSC. Many of these are other Delta Dental plans and certain of them are Renaissance-branded insurance companies and other Renaissance-branded related dental industry services. Red Cedar provides investment management services to certain enterprise affiliates. Except as disclosed below, outside of providing investment management services to the enterprise affiliates, Red Cedar has no business dealings with them in connection with the advisory services it will provide to third party clients and they present no known conflicts of interest, other than as affiliated advisory clients.

Providing these services presents the conflict of interest that Red Cedar could favor the enterprise affiliate accounts over other non-affiliated client accounts. The enterprise affiliate accounts are considered clients, are managed according to an IMA and pay an advisory fee. However, to assist in managing potential conflicts of interest, Red Cedar maintains investment and trade allocation policies and procedures designed to ensure all Red Cedar clients are treated fairly over time, as well as a Code of Ethics which includes standards of conduct expected of all personnel, including acting in the best interest of clients and treating all clients fairly.

Investment Advisory Affiliates

As noted in Item 4, Red Cedar is partially owned by 4100 Group, which is owned by Delta Dental of Michigan and Delta Dental of Ohio. Delta Dental of Ohio is controlled by Delta Dental of Michigan, which in turn is a wholly owned subsidiary of RHSC. Red Cedar and Gries Financial, LLC (“Gries”) are entities partially owned by 4100 Group. Red Cedar and Gries, are registered as investment advisers with the SEC and are under common control. Red Cedar and Gries, common members on entities’ Boards of Managers.

Serving on the Board of Managers of multiple advisers could create a conflict of interest due to competing priorities, although this risk is expected to be minimal as all the above named entities are partially owned by 4100 Group and are managed with a common strategic direction. Red Cedar’s Code of Ethics requires personnel to place client interests ahead of all personal interests. For more information on the Code of Ethics, see Section 11: Code of Ethics

Use of Delta Dental of Michigan Resources

Red Cedar has entered into an Administrative Service Agreement with Delta Dental of Michigan (“Delta ASA”), pursuant to which Delta Dental of Michigan provides administrative services to Red Cedar, including, human resources, accounting and legal services.

Red Cedar’s use of Delta Dental of Michigan employees in various capacities creates the potential for a conflict of interest between the obligations to Red Cedar clients and the incentive to take actions that benefit Delta Dental of Michigan (or another applicable enterprise affiliate). There may also be conflicts of interest with respect to the allocation of resources and time. Each entity’s management team is cognizant of these potential conflicts of interest, and strives to ensure each individual’s Delta Dental of Michigan responsibilities do not impair his or her responsibilities and obligations to Red Cedar. Red Cedar believes these potential conflicts are

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

further mitigated because personnel providing services on its behalf are subject to applicable Red Cedar policies and procedures, as well as applicable portions of Red Cedar's Code of Ethics, which requires Red Cedar and its personnel to put client interests ahead of all other interests.

Other Financial Industry Affiliations of Red Cedar Employees

Matthew A. Swendiman, the Chief Compliance Officer of Red Cedar, is a principal owner of F/m Acceleration, an asset management platform that provides business and investment strategy and solutions to Investment Advisors, and is also an Investment Adviser Representative for F/M Investments, a SEC-registered investment adviser that is under partial common ownership with Red Cedar. Mr. Swendiman also serves as an Investment Adviser Representative for Crew Capital, LLC, an un-affiliated SEC-Registered Investment Advisor.

Mr. Swendiman does receive additional compensation from Crew Capital and F/M Investments and clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest and may affect the judgement of Mr. Swendiman when making recommendations. To help mitigate this conflict of interest the Firm monitors Mr. Swendiman's activities when acting for Red Cedar, which may include reviewing a sample of Mr. Swendiman's correspondence, and reviewing Mr. Swendiman's transactions to ensure there is no conflict. Red Cedar also attempts to mitigate the conflict of interest by requiring Mr. Swendiman to acknowledge the firm's Code of Ethics, their individual fiduciary duty to the clients of Red Cedar, which requires that employees put the interests of clients ahead of their own.

Mr. Swendiman is also a principal owner and the CEO of Key Bridge Compliance, LLC an outsourced compliance consulting firm for Registered Investment Advisors. While this may not be an inherent conflict of interest, Key Bridge Compliance, LLC monitors Mr. Swendiman personal trading accounts and activities (as discussed in Item 11) to monitor and ensure Mr. Swendiman is not using information from his activities at Key Bridge Compliance, LLC to help profit himself or other Firms he may be working with.

Registered Investment Companies

Red Cedar serves as the investment adviser to the mutual funds of the Red Cedar Fund Trust, which includes the Red Cedar Short Term Bond Fund ("Short Term Bond Fund"). Red Cedar may recommend, or will directly invest in, on the client's behalf, the Red Cedar Short Term Bond Fund. This may be part of the client's separately managed account or it may be in an account that is exclusively invested in the Short Term Bond Fund. This presents a conflict of interest for Red Cedar, its officers, directors, owners or employees due to the affiliation with the Red Cedar Fund Trust which creates a financial incentive for any such recommendation or investment on behalf of the client. Red Cedar addresses this conflict by full and fair disclosure to clients. Additional information regarding fees assessed by registered investment companies is discussed in Item 5, *Fees and Compensation*.

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

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

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

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

Red Cedar access persons are permitted to buy and sell for their own accounts securities that are recommended to clients or included in the base asset allocation models, which creates potential conflicts of interest. Red Cedar utilizes exchange traded equities, fixed income securities, open-ended mutual funds and ETFs in the portion of valuation based asset allocation models not allocated to a third party manager. The Code prohibits access persons from making certain equity, ETF (including an option on an ETF) and fixed income trades in close proximity to client trades and requires access persons to obtain preapproval prior to executing all equity, ETF (including an option on an ETF) and fixed income trades. In addition, the Code of Ethics requires all access persons to report to the CCO and/or his delegates certain securities holdings information initially upon employment and at least annually thereafter and certain personal securities transaction information on a quarterly basis. Personal trading is monitored by Red Cedar to address the conflicts of interest arising from allowing access persons to invest in the same securities as clients.

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

Item 12 Brokerage Practices

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

Selection of Brokers – Equity Securities, Mutual Funds and ETF's

Generally, Red Cedar's clients are permitted to select their own custodian. For these clients, Red Cedar utilizes traditional broker-dealers to execute equity trades. Red Cedar considers many factors in selecting broker-dealers with which to place client trades, including: research services

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

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

Selection of Brokers – Fixed Income Securities

For accounts over which Red Cedar has discretionary authority, it is authorized to determine, without specific client consent, the broker-dealer used for placing fixed income trades.

Red Cedar's objective in selecting broker-dealers and in effecting fixed income trades is to seek the best combination of price and execution under the circumstances. The best net price, giving consideration to brokerage commissions, spreads and other costs, is an important factor in this decision, but a number of other factors are also considered. These factors include, but are not limited to: (a) Red Cedar's knowledge of negotiated commission rates and spreads currently available; (b) the nature of the security to be traded; (c) the size and type of transaction; (d) the nature and character of the markets for the security to be purchased or sold; (e) the desired timing of the trade; (f) the activity existing and expected in the market for the particular security; (g) confidentiality and anonymity; (h) execution; (i) clearance and settlement capabilities, as well as the broker-dealer's reputation and perceived financial soundness; (j) Red Cedar's knowledge of the broker-dealer's operational capacity; (k) the broker-dealer's execution services rendered on a continuing basis and in other transactions; and (l) the reasonableness of spreads or commissions. Fixed income strategies often rely on broker-dealers that may offer expertise in specific securities or sectors of the market. Red Cedar often bases broker selection decisions on broker inventory and level of service received. To the extent that the executing broker provides research services, Red Cedar also considers the quality and usefulness of these services. Red Cedar may also place trades with brokers who generate proprietary research, including buy and sell recommendations on individual securities, if these broker arrangements satisfy the firm's best execution standards. Refer to the Soft Dollars Practices below for more information on research services received from broker-dealers.

Best Execution

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

Fixed income trades are executed with a focus on meeting best execution requirements. Red Cedar staff often utilizes Bloomberg, or other resources as references in determining best execution. Evaluation of best execution in the secondary market is generally based on comparison of bond structures, state-specific versus national municipal offerings, amount of bonds available, yield, overall impact on portfolio performance, etc.

Soft Dollar Practices

When appropriate under its discretionary authority and consistent with its duty to seek best

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

execution, Red Cedar may direct trades for client accounts to brokers who provide Red Cedar with brokerage and research services. The client commissions used to acquire brokerage and research services are known as "soft dollars." Red Cedar seeks to comply with Section 28(e) of the Securities Exchange Act of 1934, which provides a "safe harbor" allowing an investment adviser to pay more than the lowest available commission for brokerage and research services if it determines in good faith that: (1) the brokerage and research services fall within the definitions set forth in Section 28(e); (2) the brokerage and research services provide lawful and appropriate assistance in the investment decision-making process; and (3) the commission paid is reasonable in relation to the brokerage and research services provided. The use of client commissions to pay for research and brokerage services presents Red Cedar with conflicts of interest because (1) it receives an indirect benefit that it does not have to pay for from its resources, and (2) Red Cedar is incentivized to select brokers based on receiving brokerage and research services rather than receiving the most favorable execution.

The receipt of brokerage and research services in exchange for soft dollars benefits Red Cedar by allowing it to supplement its own research and analysis activities, to receive the views and information from research experts, and to gain access to persons having special expertise on certain companies, industries, areas of economy, and market factors. Such brokerage and research services are made available to Red Cedar in connection with its investment decision-making responsibilities and enhance Red Cedar's capability to discharge those responsibilities. These products and services are useful for Red Cedar's investment decision-making and generally benefit all client accounts. Red Cedar conducts periodic formal evaluations of its receipt of brokerage and research services. These ongoing evaluations focus on the quality and quantity of brokerage and research services provided by brokerage firms and whether the commissions paid for such services are fair and reasonable. Brokerage and research services acquired with soft dollars may include, but not be limited to: written and oral reports on the economy, industries, sectors and individual companies or issuers; appraisals and analysis relating to markets and economic factors; statistical information; accounting and tax law interpretations; political analyses; reports on legal developments affecting portfolio securities; information on technical market actions; credit analyses; on-line quotations, trading techniques, and other trading systems; risk measurement; analyses of corporate responsibility issues; research related on-line news services; seminars; on-site visits; asset allocation software; pricing; indices data; and financial and market database services.

Determination and evaluation of the reasonableness of the brokerage commissions paid are based primarily on the professional opinions of the persons responsible for the placement and review of such transactions. These opinions are formed on the basis of, among other things, the individual's experience in the securities industry and information available concerning the level of commissions paid by other investors of comparable size and type. Red Cedar may select brokers based on an assessment of their ability to provide quality executions and its belief that the research, information, and other eligible services provided by these brokers benefit client accounts. It is not possible to place a precise dollar value on the special executions or on the brokerage and research services Red Cedar receives from brokers. Accordingly, brokers selected by Red Cedar may be paid commissions for effecting portfolio transactions for client accounts in excess of amounts other brokers would have charged for effecting similar transactions if Red Cedar determines in good faith that such amounts are reasonable in relation to the value of the brokerage and research services provided by those brokers, viewed either in terms of a particular transaction or its overall duty to discretionary accounts. Brokerage and

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

research services obtained with soft dollars are not necessarily utilized for the specific account that generated the soft dollars. Some clients, including, but not limited to directed brokerage clients, and clients who restrict the use of soft dollars, may benefit from the research and brokerage products obtained from soft dollars despite the fact that their trade commissions may not be used to pay for these services. Red Cedar does not attempt to allocate the relative costs or benefits of brokerage and research services among client accounts because it believes that, in the aggregate, the brokerage and research services it receives benefit all clients and assists Red Cedar in fulfilling its overall investment responsibilities.

Selected products or services provided by brokers may have administrative, marketing or other uses that do not constitute brokerage or research services within the meaning of Section 28(e) of the Securities Exchange Act of 1934. These are referred to as “mixed-use” services. Red Cedar evaluates mixed-use products and services and attempts to make a reasonable allocation of the cost of these products or services according to their use, including the intended purpose, or the amount of time that different functions utilize the product or service. A conflict of interest can arise in allocating the cost of mixed-use items between research and non-research products and services. The portion of a product or service attributable to eligible brokerage or research services will be paid through brokerage commissions generated by client transactions; the remaining cost of the product or service will be paid by Red Cedar from its own resources.

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

Directed Brokerage Arrangements

Red Cedar generally does not permit its clients to direct brokerage to a particular broker-dealer. As noted above, Red Cedar will recommend clients use Schwab, Bank of America and others for custodian services if clients do not specify a custodian preference. This arrangement generally allows the client to obtain attractive brokerage rates and professional execution through the custodians affiliated broker-dealer. Custodians may charge the client additional “trade away” fees when trades are executed by another broker-dealer, and therefore in most instances it is advantageous for Red Cedar to execute through a Custodians affiliated broker-dealer when the trade involves a client subject to these arrangements, in order to avoid these additional costs.

Allocation of Investment Opportunities

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

Trade Aggregation Practices - General

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

Trade Aggregation Practices – Equities, Mutual Funds, and ETF's

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

Once the aggregated trade is executed, the shares are allocated in line with the pre-allocation schedule. Trades which are blocked across accounts are executed on a pro-rata basis so that each account will receive approximately the same execution price.

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

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

Trade Aggregation Practices – Fixed Income

Although not required to do so, Red Cedar may combine different client orders for identical fixed income securities to be executed as a block order. This practice may enable the firm to seek more favorable executions and net prices. Generally, securities will be allocated on a pro-rata basis, based on assets under management for each participating client, including situations where the order is partially filled at the end of a trading day. Where a pro rata allocation is not reasonable in the circumstances, the Portfolio Manager will allocate trades in a manner that is deemed to be equitable to all clients, taking into consideration factors including, but not limited to, the size of the orders, the availability of the securities, and any other facts and circumstances.

Red Cedar Investment Management, LLC
Form ADV Part 2A
March 23, 2021

Adjustments to this pro-rata allocation may be made to avoid odd-lot share amounts in any client account or to avoid deviations from targeted minimum/maximum holdings limits established for any account. Red Cedar may, in certain cases, use its judgment to aggregate or not aggregate the trade based on the client's unique investment guidelines. It is the firm's policy to allocate investment opportunities, to the extent practical, to similarly situated client accounts over time, in a manner that RCIM believes is fair and equitable to each client's account. Transactions for any client's account will not be blocked if the practice is prohibited by, or inconsistent with, the client's investment instruction. In some cases, clients with account restrictions may not participate in blocked trades if the restrictions prevent Red Cedar from executing the trade in a timely manner. In such an instance, the accounts with restrictions may be traded in a different order or at a different time than accounts participating in the blocked trade.

Red Cedar seeks out natural block orders, looking for indications of interest, advertisements, and broker lists. Red Cedar utilizes market quotation tools on the trade desk to determine the best quoted bids and offers from recognized quoted exchanges. Red Cedar, if appropriate, will use technical trading indicators to help gauge best prices and liquidity. Red Cedar may utilize direct market access platforms to help route orders to appropriate exchanges. Red Cedar will monitor market conditions through live news and other sources of information available to them.

Cross Transactions

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

Trade Errors

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

Item 13 Review of Accounts

Client accounts are reviewed on a regular basis by a member of the Investment Committee. A formal account review is performed on a quarterly basis to reasonably ensure asset allocations are within target ranges indicated on each client's IPS and to rebalance accounts, as appropriate. The Investment Committee reviews performance of client accounts relative to the accounts' investments to ensure performance is in line with expectations. For accounts which utilize third party managers to manage a portion of the allocation, the Investment Committee reviews the performance of the portion of the account managed by the third party manager for reasonableness on a quarterly basis and ensures the third party manager is managing the account consistent with the client's IPS.

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

Item 14 Client Referrals and Other Compensation

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

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

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

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

Item 15 Custody

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

Red Cedar is also be deemed to have constructive custody of the account assets of certain enterprise affiliates when Red Cedar provides cash balance management services to enterprise affiliate clients and has been authorized by the clients, through a standing letter of authorization,

to execute transfers of cash out of the clients' accounts.

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

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

Item 16 Investment Discretion

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

Item 17 Voting Client Securities

Red Cedar seeks to vote proxies in the best interests of its clients. Red Cedar will use its best efforts to vote proxies on behalf of clients and will vote proxies where it is afforded the ability to do so. Red Cedar supplements its evaluation of client proxies with guidance from an independent corporate governance consulting firm.

There may be instances where issues or conflicts exist that prevent Red Cedar from voting client proxies. In some situations, acting in the client's best interest may include abstention from voting. For example, Red Cedar may not vote proxies where it believes the cost of voting outweighs the benefits (e.g., voting on international securities where personal appearance is required, not having sufficient information to vote the proxy, etc.).

Red Cedar has not identified any material conflicts of interest in connection with past proxy votes. Such a conflict could arise if, for example, a client was a senior executive with a publicly traded company and other clients held securities issued by that company. Absent specific client instructions, if Red Cedar identifies a material conflict of interest, it will determine the appropriate course of action on a case by case basis, in accordance with Red Cedar's proxy voting policies.

A copy of Red Cedar's proxy voting policies and procedures, as well as specific information about how Red Cedar has voted in the past for an account, is available upon request. Upon written request, clients can also take responsibility for voting their own proxies, or can give Red Cedar instructions about how to vote their respective shares.

Item 18 Financial Information

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