May 5, 2006

Subject: Cedar Creek Partners 2006 First Quarter Results

Dear Partner:

Cedar Creek Partners is pleased to announce unaudited results for the first quarter of 2006. For the first quarter of 2006, the net asset value per share increased by 10.7%, net of fees and expenses. As you may know, the fund is still in the offering phase, but we decided to begin operations on January 15, 2006, rather than have the funds be invested in cash until the offering period was completed. Below you can see Cedar Creek's results in comparison to the prominent market indexes (from 1/15 – 03/31):

	Return
Cedar Creek Partners	**10.7%**
Russell 2000	8.0%
Wilshire 5000	1.6%
Dow Jones Industrials	1.4%
NASDAQ	1.0%
S&P 500	0.6%

We would like to take the opportunity to remind our investors of one important fact. We, at Cedar Creek Partners, are not subject to the diversification requirements of mutual funds, and thus are able to take concentrated positions in securities we like. Our thinking in the matter is that it makes no sense to put nearly equal amounts in what you feel is your best idea and your 10^{th} best idea. If we are convinced that our best idea is significantly more undervalued than our 10^{th} best idea, then it only makes sense to invest significantly more funds in that security. We believe in the short-term it will likely result in greater fluctuations in the value of the fund, but in the long run we believe it will result in superior returns.

As for what you should expect in the coming months, we obviously can not promise any specific level of returns. We do believe the securities we hold are still trading at a discount to our estimate of their intrinsic value, despite their increase in value, and look to purchase more as the partnership receives additional funds.

Once again, we want to thank you for your investment in Cedar Creek Partners. We look forward to the future and want to encourage you to ask any questions that you might have. Should you have any questions or want to speak to us directly, please don't hesitate to call me at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager – Cedar Creek Partners LLC

July 13, 2006

Subject: Cedar Creek Partners 2006 Second Quarter and First Half Results

Dear Partner:

Cedar Creek Partners is pleased to announce unaudited results for the second quarter of 2006. For the second quarter of 2006, the net asset value per share increased by 18.0%, net of fees and expenses. For the first half of 2006, the net asset value per share has increased by 30.6%, net of fees and expenses. Below you can see Cedar Creek's results in comparison to the prominent market indexes (from 1/15 – 06/30):

	Since 1/15	Q2	1/15-3/31
Cedar Creek Partners	**30.6%**	**18.0%**	**10.7%**
Russell 2000	2.3%	-5.3%	8.0%
Dow Jones Industrials	1.7%	0.4%	1.4%
Wilshire 5000	-0.7%	-2.3%	1.6%
S&P 500	-1.4%	-1.9%	0.6%
NASDAQ	-6.3%	-7.2%	1.0%

We would like to once again take the opportunity to remind our investors of one important fact. We, at Cedar Creek Partners, are not subject to the diversification requirements of mutual funds, and thus are able to take concentrated positions in securities we like. Our thinking in the matter is that it makes no sense to put nearly equal amounts in what you feel is your best idea and your 10th best idea. If we are convinced that our best idea is significantly more undervalued than our 10th best idea, then it only makes sense to invest significantly more funds in that security. We believe in the short-term it will likely result in greater fluctuations in the value of the fund, but in the long run we believe it will result in superior returns.

As for what you should expect in the coming months, we obviously can not promise any specific level of returns. We do believe the securities we hold are still trading at a discount to our estimate of their intrinsic value, despite their increase in value, and look to purchase more as the partnership receives additional funds.

Once again, we want to thank you for your investment in Cedar Creek Partners. We look forward to the future and want to encourage you to ask any questions that you might have. Should you have any questions or want to speak to us directly, please don't hesitate to call me at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager – Cedar Creek Partners LLC

CEDAR CREEK PARTNERS, LLC

October 11, 2006

Subject: Cedar Creek Partners 2006 Third Quarter and Nine Month Results

Dear Partner:

Cedar Creek Partners is pleased to announce unaudited results for the third quarter of 2006. For the third quarter of 2006, the net asset value per share increased by 9.2%, net of fees and expenses. For the first nine months of 2006, the net asset value per share has increased by 42.5%, net of fees and expenses. Below you can see Cedar Creek's results in comparison to the prominent market indexes from our inception on January 15, 2006 through September 30, 2006:

	Since 1/15	Q3	Q2	1/15-3/31
Cedar Creek Partners	**42.5%**	**9.2%**	**18.0%**	**10.7%**
Dow Jones Industrials	6.6%	4.7%	0.4%	1.4%
S&P 500	3.7%	5.2%	-1.9%	0.6%
Wilshire 5000	3.1%	3.9%	-2.3%	1.6%
Russell 2000	2.4%	0.1%	-5.3%	8.0%
NASDAQ	-2.5%	4.0%	-7.2%	1.0%

As a reminder, the partnership is designed to be able to take in additional investments from existing members and is open to investments from other qualified individuals or entities. If you are interested in increasing your investment please give us a call. Or, if you know anyone who might be interested, please feel free to pass on our phone number to them so they can get in touch with us. While we can't offer you any reward, we do wish to point out that as the fund gets larger, it allows our costs to be spread among a larger asset base resulting in lower expenses on a percentage basis.

Once again, we want to thank you for your investment in Cedar Creek Partners. We look forward to the future and want to encourage you to ask any questions that you might have. Should you have any questions or want to speak to us directly, please don't hesitate to call me at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager – Cedar Creek Partners LLC

January 4, 2007

Subject: Cedar Creek Partners 2006 Fourth Quarter and Year End Results

Dear Partner:

Cedar Creek Partners is pleased to announce preliminary unaudited results for 2006. In 2006, the net asset value per share increased by 50.6%, net of fees and expenses. The fund's performance for the year was significantly better than the general indexes. Below you can see Cedar Creek's results in comparison to the prominent market indexes from our inception on January 15, 2006 through the end of 2006.

	Since 1/15	Q4	Q3 Rev	Q2	1/15-3/31
Cedar Creek Partners	**50.6%**	**5.2%**	**9.6%**	**18.0%**	**10.7%**
Russell 2000	11.2%	8.6%	0.1%	-5.3%	8.0%
Wilshire 5000	10.1%	6.8%	3.9%	-2.3%	1.6%
Dow Jones Industrials	13.7%	6.7%	4.7%	0.4%	1.4%
NASDAQ	4.2%	6.9%	4.0%	-7.2%	1.0%
S&P 500	10.1%	6.2%	5.2%	-1.9%	0.6%

figures for the indexes exclude dividends

While I am very pleased with our results for the year, I am disappointed to have under performed against the indexes in fourth quarter. In the fourth quarter the fund gained 5.2%, net of fees and expenses. On the positive side, we exceeded my internal goal of a 5% gain for the quarter, which we did in each of the four quarters in 2006. In addition, most of our investments performed well in the quarter. On the negative side, I entered into a short position (where you sell a stock that you believe will fall in price and then repurchase it later at a lower price) in a stock that I believed was trading at much more than it was worth. Unfortunately, the market pushed the shares considerably higher.

As a reminder, the partnership is designed to be able to take in additional investments from existing members and is open to investments from other qualified individuals or entities. If you are interested in increasing your investment please give us a call. Or, if you know anyone who might be interested, please feel free to pass on our phone number to them so they can get in touch with us. As the fund gets larger, it allows our costs to be spread among a larger asset base resulting in lower expenses on a percentage basis.

Once again, we want to thank you for your investment in Cedar Creek Partners. We look forward to the future and want to encourage you to ask any questions that you might have. Should you have any questions or want to speak to us directly, please don't hesitate to call me at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager – Cedar Creek Partners LLC

May 3, 2007

Subject: Cedar Creek Partners 2007 First Quarter Results

Dear Partner:

Cedar Creek Partners is pleased to announce unaudited results for the first quarter of 2007. For the first quarter of 2007, the net asset value per share increased by 6.2%, net of fees and expenses. We are including a comparison chart of our results in relation to the major indices.

First Quarter 2007 Results	Return
Cedar Creek Partners	**6.2%**
Russell 2000	1.7%
Wilshire 5000	1.1%
S&P 500	0.3%
NASDAQ	0.1%
Dow Jones Industrials	-0.9%

While, no single index is directly comparable to Cedar Creek Partners, we believe that it is important to compare our performance to a passively managed approach. At the core of our investment philosophy is the belief that we can generate superior risk-adjusted returns by holding a more concentrated portfolio of undervalued securities, than an index holding a far greater number of securities.

If you look at our performance numbers closely, you may have noticed that we have tended to under-perform when the market is strong and outperform when the market is flat or down. This does not surprise us, and we would expect it to likely happen in the future. When the market moves up sharply it is often led by technology stocks and higher priced growth stocks, and we rarely own either category.

Once again, we want to thank you for your investment in Cedar Creek Partners. We look forward to the future and want to encourage you to ask any questions that you might have. Should you have any questions or want to speak to us directly, please don't hesitate to call me at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager – Cedar Creek Partners LLC

CEDAR CREEK PARTNERS, LLC

July 27, 2007

Subject: Cedar Creek Partners 2007 Second Quarter and First Half Results

Dear Partner:

Cedar Creek Partners is pleased to announce unaudited results for the second quarter and first half of 2007. For the second quarter of 2007, the net asset value per share increased by 3.1%, net of fees and expenses. For the first half of 2007, the net asset value per share increased by 9.5%. Below is a chart comparing Cedar Creek's results to the major indices.

	1H '07	Q2	Q1
Cedar Creek Partners	**9.5%**	**3.1%**	**6.2%**
DJIA	8.8%	9.1%	-0.3%
Nasdaq	8.2%	7.7%	0.5%
Wilshire 5000	7.6%	6.0%	1.5%
S&P 500	6.9%	6.3%	0.6%
Russell 2000	6.4%	4.4%	1.9%

returns include reinvestment of dividends

While we are pleased that we have outperformed the market indices in the first half, we are a little disappointed with our results in the quarter. We lagged the indexes by a few percentage points, and failed for the first time in our history to achieve a quarterly result of 5% or more. We knew that it would eventually happen, but we hoped it would be further into the future.

As I write this letter, the market has been experiencing one of its worst weeks in quite a while. We don't know what direction the market will go in the immediate future, nor does it matter a great deal since we are investing for the long-term. In fact, periods of increased volatility, or sharp declines, often produce great opportunities. It increases the likelihood of inefficiency in the market. In other words, it results in some good companies being available for purchase at attractive prices.

Should you have any questions or want to speak to us directly, please don't hesitate to call me at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager – Cedar Creek Partners LLC

October 10, 2007

Subject: Cedar Creek Partners 2007 Third Quarter and Year-to-Date Results

Dear Partner:

The third quarter of 2007 was a difficult quarter in the market, especially for funds with a focus on smaller companies. As a result, returns to investors in Cedar Creek Partners were not at the level of which we are accustomed. In the third quarter, the fund declined by 5.9%, net of fees and expenses. Year-to-date the fund has increased by 3.0%. Below is a chart comparing Cedar Creek's results to the major indices.

	Q3	YTD	Inception
Cedar Creek Partners	**-5.9%**	**3.0%**	**55.1%**
Nasdaq	3.8%	11.8%	16.6%
DJIA	3.6%	11.5%	26.8%
S&P 500	1.6%	7.6%	18.6%
Wilshire 5000	1.0%	11.8%	18.7%
Russell 2000	-3.1%	3.2%	16.0%

Returns include reinvestment of dividends. Inception date is January 15, 2006.

While we would obviously prefer to outperform the indexes each and every quarter, we know that cannot happen all the time. Cedar Creek's third quarter results were impacted by two related factors – the fund's investment style and the early August sell-off. In terms of investment style, small caps have underperformed the other styles during the year as seen by comparing our results and that of the Russell 2000, which is a small cap index, to the other major indices. Most of the differential in returns occurred in the third quarter due to the "crisis" in the credit markets. In times of uncertainty there is often a "flight to quality," which means a shift to larger more stable companies.

There are two ways to measure the performance of our portfolio. The easiest is to use the prices of the securities and calculate their change during the quarter. That resulted in a loss for the fund. A more difficult way is to look through to the underlying companies to see if they are creating value at the company level, whether or not it is reflected in the stock price. While it is a less precise measurement, it is more important on a long-term basis than short-term share price movement. The reason is that over time that creation of value at the company level will get recognized in the market. On that score we were very pleased with the fund's performance during the quarter, and think the fund is well-positioned to outperform not just the small cap value indexes but the overall indexes in the coming years.

Thus we would like to spend a moment to walk through how we arrived at the conclusion that at the company level our holdings are performing well. In order to help you see what we are seeing, we have broken from our normal policy of not disclosing the fund's holdings, and have included an addendum detailing our thoughts on what we own, why we own it, and what we think it is worth.

We think we have found some companies of exceptional value. The most telling statistic that supports this is that the fund's overall weighted average price-to-earnings multiple for its equity positions is just over 5, where as the indexes all sport P/E multiples between 15 and 25. In fact two of our larger holdings have P/E ratios of less than 3. More importantly, we project that earnings will increase in the coming year for nearly all of our holdings. Thus we see value being created at an approximately 20% rate in the coming twelve months. If the market valuations stay the same for all our companies we would expect returns to be similar. As we all know, stock prices can move up or down in an unpredictable manner. Our belief is that the market is efficient in the long run and will eventually recognize the value in our holdings and price them appropriately such that our overall returns will exceed the internal value being created on the company level. That is essentially what value investing is all about.

We encourage you to read through the summary of Cedar Creek's holdings. If you see a stock that interests you and wish to study it further and invest in it that won't upset us. (Please remember to use limit orders on smaller company stocks, so you don't overpay). If you see a number of ideas that look attractive we would encourage you to consider investing more into Cedar Creek, which is precisely what we did at the end of September. Should you have any questions about the holdings or any other matter relating to the fund, please don't hesitate to call me at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager – Cedar Creek Partners LLC

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Cedar Creek Partners Portfolio

Below are the significant holdings of the fund as of the close of the market September 28, 2007. As of the end of the third quarter the fund held eight positions that were larger than 1% of the fund. Typically the fund tends to hold between 8 and 15 positions that are greater than 1%. One item we are not going to give you is the breakdown of how much of the fund is in each position. There are a number of reasons for that. First is that we don't want others to try and replicate the fund. And second, we are in the continual process of fine-tuning the portfolio as events change, so that by the time you read this letter some of the numbers may have changed.

	Holdings > 1% of Fund	Symbol	9/30 Price	Repurchase
1	Trek Resources	TRKX	$ 265.00	Yes - modest
2	Diamond Hill	DHIL	$ 81.00	Yes – 15%
3	Blue Earth Refineries	BUERF	$ 2.40	Yes – 20%
4	Charlemagne Capital	CCAP	$ 1.32	Yes – 10%
5	Highbury Financial	HBRF	$ 4.44	No
6	TransCommunity	TCYF	$ 8.50	No
7	Imperial Capital	IMP	$ 28.25	Yes - modest
8	Swift Energy	SFY	$ 40.92	No

As you read through the list you will probably notice some common themes that are a significant part of our investment philosophy. First you will notice that nearly all of the companies have strong free cash flow, in other words, they do not have to plow their profits back into the company in order to maintain earnings or grow. Second you will see that because of their strong cash flow, the companies we own can use their excess cash flow to repurchase shares of their stock, buy other firms, or pay dividends.

1. Trek Resources

Trek Resources is a small oil and gas company that trades in the pink sheets. Stocks that trade in the pink sheets are often of questionable quality, but that is not the case with Trek. We have followed Trek Resources since 2005 when it deregistered with the SEC. Many small companies chose the route of de-registration due to the high costs of complying with Sarbanes-Oxley in relation to the benefits to shareholders. I have met with management of the company and continue to interact with them periodically. To date they have been very open and helpful.

What is amazing about Trek is how cheap the stock is. The stock trades, well actually it doesn't trade that often, and when it does I am often the buyer as you will see why. The stock last traded at $265 per share. In fiscal 2006 the company earned $74 per share, after taking into account a $22 per share charge. Without the unusual charge the company would have earned $96 per share, untaxed. The $96 per share in earnings was with an average oil price in the low $60 per barrel range. Currently, oil is trading near $80 per barrel. As of the end of June its book value was $261 per diluted share. We believe we are getting an excellent buy at theses prices. So far we are just under breakeven on the holding, and have owned the majority of our shares for over a year, thus any gains will be at the long-term capital gains tax rate of 15%.

Based on conversations with management, I would expect the company to be sold within three to five years. If it were to sell today, we would estimate that it would be worth in excess of $500 per share. What it will be worth when management decides to sell will be based on where oil and gas prices are at the time and how well the company performs between now and that date. So while it may be painful every time you go to the pump to fill up your car, you can take some solace in the fact that you will get some of that money back in your investment portfolio.

2. Diamond Hill Investment Group
Diamond Hill Investment Group is a value-based asset manager with approximately $4.4 billion in assets under management. The firm is based in Columbus, Ohio. We have followed the company for a few years and owned the stock in various accounts for nearly all that time. We have attended the annual meeting in each of the last two years.

Diamond Hill's assets under management (AUM) were $107 million at the end of 2002, $250 million at the end of 2003, $515 million at the end of 2004, $1.5 billion at the end of 2005, and $3.7 billion at the end of 2006. That's four straight years of over 100% growth! Obviously that rate of growth cannot continue. In fact, in 2007 they have only grown by about 20% in the first nine months. Despite that spectacular rate of growth, the company trades at a reasonable 18 times trailing earnings, which is lower than the industry multiple. Another positive sign is that the company recently announced authorization to repurchase up to 15% of the company's stock. While it is one of the more expensive stocks in the portfolio in terms of price-to-earnings, we think it probably has the most upside potential.

3. Blue Earth Refineries
Blue Earth Refineries is a small company that refines cobalt in Uganda. The shares trade on the pink sheets. The mine has about 5 years of production left. Management has been taking the free cash flow the company earns and distributing it back to shareholders. The stock closed the quarter at $2.40 per share. It announced in mid-September that it would pay a distribution of $1.00 per share in October and initiate a share repurchase of up to 20% of its shares.

I'll admit I don't know a great deal about cobalt. I do know that cobalt is found in various ores, and is used in the preparation of magnetic, wear-resistant, and high-strength alloys. Its compounds are also used in the production of inks, paints, and varnishes. What I do know is that I can track what it sells for internationally, and I know what Blue Earth's costs are. Most recently cobalt was selling for $29 per pound and Blue Earth's cash costs to produce are around $10 per pound. If current prices hold, the company would earn close to $1.40 per share, or its share price after the distribution. At an average price of $23 per pound, which is what we calculate the average price was for the company in fiscal 2007, we estimate earnings of $0.75 per share, and free cash flow of $1.15 per share. Thus we think the current market price is only one to two times current earnings.

It is hard to put a precise valuation to the company due to the difficulty in estimating future cobalt prices; however, we feel confident that it is worth more than its current price. Since the company has historically paid out a good portion of its cash flow, we feel our risk of ownership is relatively low, and the potential rewards are quite attractive.

4. Charlemagne Capital
Charlemagne Capital is a London-based emerging markets asset manager with approximately $5.9 billion in assets under management. The stock trades in London on the AIM. We have followed the company since soon after it went public in 2006. Like most of our other holdings, management is repurchasing its stock. The company has authorization to repurchase up to 10% of its stock.

In 2006, Charlemagne earned 12.5 cents per share, and the stock currently trades at around $1.30 based on current exchange rates. That results in a very attractive price-to-earnings multiple of just over 10 times. It trades at a lower multiple to earnings than other asset managers due to the fact that a greater portion of its earnings are from incentive fees which are less predictable than typical management fees. In addition to repurchasing its stock, Charlemagne uses its earnings to pay dividends, which last year amounted to 8.4 cents per share, giving it a dividend yield of over 6%. First half results in 2007 were similar to 2006; however in the third quarter of 2007 emerging markets continued their strong rise, thus we expect 2007 results to substantially exceed 2006. In our opinion, the stock gives us excellent exposure to emerging markets at an attractive price.

5. Highbury Financial

Highbury Financial is a small asset manager based in the United States. Its shares trade in the over-the-counter market and the company is subject to SEC filing requirements. The company manages approximately $5 billion. Its shares don't trade a great deal due to most of its shares being owned by a handful of large institutions. The share price was $4.44 at quarter end and the company has cash earnings of approximately $0.44 per share annually. In addition, the company is debt-free and has over $1.10 per share in cash. Many analysts will net out the cash from the share price in their valuations, which results in the company trading at under 8 times cash earnings.

The company has not exhibited much growth in the recent years, and is looking to use its cash to acquire other asset managers. If it does complete an acquisition, it should draw more attention to the stock. If it fails to find an acquisition the company will have a nice cash position with which to pay a dividend or repurchase shares. We started a position in the stock near $6.00 per share. With the recent sell-off in smaller company financials we were able to buy shares as low as $4.15 per share, which resulted in our lowering our cost basis to approximately $4.75 per share. We estimate fair value at approximately $7 per share.

6. TransCommunity Financial

TransCommunity Financial is a short-term holding of the fund. TransCommunity is a small community bank in Virginia that agreed in September to be acquired by Community Bankers Acquisition Corp. (CBAC). Shareholders of TransCommunity will receive 1.42 shares of CBAC, which will be adjusted upward if CBAC's share price falls. Thus shareholders are guaranteed to get $10.53 per share of CBAC stock if the deal is completed. Typically after such an announcement, the share price of the acquired company would trade near the acquisition price, yet TransCommunity shares trade at a nearly 20% discount to the acquisition price. We have looked at the deal and think the rewards if the deal is completed (i.e. the stock moves from $8.50 to near $10.50) outweigh the possible downside movement in the share price should the deal not be completed.

7. Imperial Capital

Imperial Capital is a California-based bank that specializes in commercial real estate lending on a national basis. It has no exposure to sub-prime lending, yet during the market correction in late July and early August, Imperial's share price declined from over $50 to under $30. We do not think the price collapse was justified based on the underlying fundamentals of the company. The bank should earn $4.00 to $4.50 per share for 2007 and the future looks bright. At $30 we paid approximately 7 times current earnings, and less than 70% of book value, which we think is a bargain. The company also has in place a share repurchase plan, which it has used to repurchase almost 40% of its shares over the last ten years. We think it is likely that management will use the recent sell-off to repurchase shares at very attractive prices. Based on the slower growth prospects of most banks due to the current economic conditions we would estimate that fair value for the company at approximately $45 per share, or 50% higher than the current price.

8. Swift Energy

Swift Energy is a mid-size oil and natural gas exploration and production company that focuses on onshore fields in Louisiana and Texas, as well as in New Zealand. In September we purchased shares at just over $36, and by the end of the month the shares were up over 10%. Due to its larger size and slower growth profile, the company is not a screaming buy, but we felt it was attractive at less than 8 times trailing earnings. If oil prices stay at or above $60 per barrel, the company should continue to perform well. Due to the fact that an oil and gas company has to use its cash flow to increase drilling to offset natural production declines, we would estimate fair value for the company at approximately $50 per share, assuming oil prices average about $70 per barrel.

January 18, 2008

Subject: Cedar Creek Partners Unaudited 2007 Fourth Quarter and Year-end Results

Dear Partner:

Cedar Creek is pleased to report that we were able to navigate a difficult quarter successfully, and report solid returns for the quarter and the year. In the fourth quarter, the fund increased by 11.1%, net of fees and expenses. For 2007, the fund increased by 14.3%. Over its two year history, the fund is up 72.2% overall, or an average annual return of 31.2%. Below is a chart comparing Cedar Creek's results to the major indices.

	Q4 '07	2007	Inception	Ave. Annual
Cedar Creek Partners	**11.1%**	**14.3%**	**72.2%**	**31.2%**
Nasdaq	-1.8%	9.8%	14.5%	7.0%
DJIA	-4.5%	6.4%	21.0%	10.0%
S&P 500	-3.8%	3.5%	14.0%	6.8%
Russell 2000	-4.6%	-1.6%	10.7%	5.2%

Returns include reinvestment of dividends. Inception date is January 15, 2006.

We do want to point out that the 2007 results are preliminary, and may be subject to minor revision upon the completion of our audit. Starting in February you will be receiving monthly statements from our new administrator, Unkar Systems. In the future, Unkar will handle all the fund accounting and performance calculations. We are excited about this, as it will free up more of our time to focus on stock selection.

In our third quarter report we detailed the larger positions in the fund. That is not something we plan to do on a regular basis. We noted then that we change the portfolio as conditions change. In fact, half of the stocks mentioned are no longer held in the fund. We do believe the fund continues to own some companies of exceptional value. The most telling statistic that supports this is that the fund's overall weighted average price-to-earnings multiple for its equity positions is 8 times earnings on a trailing basis, 4 times our estimates for 2008, whereas the indexes all sport P/E multiples between 15 and 20 times earnings.

As we write this letter, the market is often to a dismal start to the year, with the indexes down nearly 10%. The fund, so far, is experiencing similar returns. Volatility is part of the process, and we believe it creates opportunities for those who are not controlled by their emotions. We are continuing to find some attractive opportunities, and would encourage you to consider investing more into Cedar Creek, which is precisely what we have been doing in recent months. Should you have any questions about the fund, please don't hesitate to call me at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager – Cedar Creek Partners LLC

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