Managing Member – Tim Eriksen Eriksen Capital Management, LLC 567 Wildrose Cir., Lynden, WA 98264

February 11, 2013

Subject: Cedar Creek Partners January 2013 Unaudited Results

Dear Partner:

The U.S. stock market got off to a strong start in January, as all the major indices posted strong gains. The fund outperformed all the major indices during the month, rising by 9.1%, net of fees and expenses, all while maintaining an average cash position of approximately 18%.[1]

	Jan '13	2012	Inception	Ave. Annual
Cedar Creek	**9.1%**	**7.1%**	**193.7%**	**16.5%**
DJIA	6.1%	10.2%	53.1%	6.2%
Russell 2000	6.3%	16.4%	40.1%	4.9%
Nasdaq	4.1%	15.9%	35.6%	4.4%
S&P 500 (SPY)	5.2%	16.0%	34.5%	4.4%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

January Details

By far the largest impact on the portfolio was from Hennessy Advisors (HNNA) which rose 67% during the month. We profiled Hennessy in our November letter. Hennessy reported a 333% increase in earnings, right in line with our estimates. Other significant contributors were Conrad Industries (CNRD) and Trinity Biotech (TRIB). The most notable decliner in January was Revett Minerals (RVM) which fell 19% due to its mine remaining offline after unstable ground conditions were discovered.

Cash Levels and Fund Repositioning

The fund's cash levels, excluding short credits, finished the month at 19%. The higher percentage is in line with our approach of being more patient for excellent opportunities. We exited our call position in Safeway, and purchased a modest position in a large technology company. Subsequent to month end we have continued

[1] 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 under-valued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

to reduce our exposure to companies with subpar management and companies lacking growth. We have also initiated a couple of new positions in companies with excellent near term prospects.

Historically, we have gained the majority of our returns from companies trading at low price to earnings ratios that also exhibited solid growth. I would use the acronym GARP to describe our approach, but that was already used a few years back to describe Growth at a Reasonable Price. That was more of a hybrid approach blending growth and value. We aren't interested in paying a Reasonable Price; we want to pay a *Ridiculous* Price. We want the growth for free. It lowers our downside risk and gives us tremendous upside potential. While free growth is difficult to find, particularly in large caps, it can be found more frequently in small and micro caps, which is why they are our primary focus.

The end result will be fewer positions in the fund but hopefully positions that are more likely to increase in price in the coming year versus a portfolio consisting of deep value stocks, most of which have a three to five year time horizon. At times, cash balances will be high; however, we are convinced that we will generate higher returns by staying in cash and continuing to search even harder, rather than settling for something lesser. When we do find the right opportunity we also want to be prepared to move quickly.

Room for New Members and/or Additional Funds

We still have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments must be for a minimum of $10,000.

If this letter was passed on to you and you would like to be added to our monthly distribution list, please email me at the email address below. This will allow you to receive our updates on a regular basis. Should you have any questions regarding the fund, please don't hesitate to call or email.

Sincerely,

Tim Eriksen
Manager
Cedar Creek Partners LLC
email: tim@eriksencapital.com
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Managing Member – Tim Eriksen   Eriksen Capital Management, LLC   567 Wildrose Cir., Lynden, WA 98264

March 11, 2013

Subject: Cedar Creek Partners February 2013 Unaudited Results

Dear Partner:

The U.S. markets rose modestly in February, with all the major indices posting gains. The fund rose 0.1% in February, and was up 9.2% year to date, net of fees and expenses, all while maintaining an average cash position of approximately 20%.[2]

	Feb '13	2013	Inception	Ave. Annual
Cedar Creek	**0.1%**	**9.2%**	**193.8%**	**16.3%**
DJIA	1.6%	7.8%	55.6%	6.4%
Russell 2000	1.1%	7.4%	41.6%	5.0%
Nasdaq	0.6%	4.7%	36.4%	4.5%
S&P 500 (SPY)	1.2%	6.5%	36.2%	4.4%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

February Details

Notable positive contributors were Hennessy Advisors (HNNA), Conrad Industries (CNRD), and Teton Advisors (TETAA). Notable detractors from performance were junior miners Revett Minerals (RVM) and Monument Mining (MMY.V), along with DirecTV (DTV) calls.

Cash Levels and Fund Repositioning

The fund's cash levels, excluding short credits, finished the month at 20%. The higher percentage is in line with our approach of being more patient for excellent opportunities, and is also a reflection of our positions in DirecTV and AIG being purchased via in the money call options. During the month we continued to reduce our exposure to companies with subpar management and companies lacking growth. We also initiated a couple of new positions in companies with excellent near term prospects.

[2] 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 under-valued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

Book Recommendation

While I don't normally make book recommendations, I did just finish reading *The Outsiders*: Eight Unconventional CEOs and Their Radically Rational Blueprint for Success by William N. Thorndike. In his recently released annual letter, Warren Buffett called the book "outstanding." I would concur. My only frustration was that I had thought about writing a similar book myself.

It is a book that investors in, and managers and directors of, private and public companies should read. Thorndike shows how the best CEO's are not the ones with deep industry experience and the charisma to motivate staff and charm analysts and the press. Rather, the best CEO's are often humble, frugal, and possess a laser sharp focus on per share value. They know when to expand and contract, acquire and divest, issue and pay down debt, issue and repurchase shares, etc.

American business is full of a great number of CEOs and managers who excel operationally yet unfortunately fail to grasp the importance of capital allocation. Those who understand both can generate excellent returns in average businesses and spectacular returns when running excellent businesses. Conversely those who make poor capital allocation decisions can undo the hard work on the operational side.

Tax Information – K-1's

The fund's auditors should complete the audit by the March 31 deadline. Once completed, we will be emailing K-1's to those who agreed last year to have their K-1 transmitted electronically. Those who did not respond or chose to receive a hard copy will receive their K-1 via US mail.

Room for New Members and/or Additional Funds

We still have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments must be for a minimum of $10,000.

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Managing Member – Tim Eriksen Eriksen Capital Management, LLC 567 Wildrose Cir., Lynden, WA 98264

April 5, 2013

Subject: Cedar Creek Partners March 2013 Unaudited Results

Dear Partner:

The U.S. markets finished the first quarter with solid gains, with nearly all the major indices rising more than 10%. The fund rose 1.0% in March, and was up 10.2% in the quarter, net of fees and expenses, all while maintaining an average cash position of approximately 20%.[3]

	Mar '13	2013	Inception	Ave. Annual
Cedar Creek	**1.0%**	**10.2%**	**196.6%**	**16.3%**
DJIA	3.9%	11.9%	61.5%	6.9%
Russell 2000	4.6%	12.4%	48.2%	5.6%
Nasdaq	3.4%	8.2%	41.0%	4.9%
S&P 500 (SPY)	3.8%	10.5%	41.4%	4.9%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

March Details

Notable contributors in March were February's detractors - Revett Minerals (RVM) and DirecTV (DTV) calls. Notable detractors from performance were last month's contributors - Hennessy Advisors (HNNA) and Teton Advisors (TETAA).

Cash Levels and Fund Repositioning

The fund's cash levels, excluding short credits, finished the month at 22%. The higher percentage is in line with our approach of being more patient for excellent opportunities, and is also a reflection of our positions in DirecTV and AIG being purchased via in the money call options. During the month we continued to reduce our exposure to companies with subpar management and companies lacking growth. We did not initiate any new positions, but did add to some existing companies with excellent near term prospects.

[3] 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 under-valued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

Our Most Recent Value Investing Letter Article on Blucora

This Stock Won't Leave You Feeling Blue

The goal of every enterprising investor is to achieve attractive absolute returns and to outperform a passive index approach over time. The best way to achieve that is to focus on the least efficient segments of the stock universe. As Seth Klarman wrote in *Margin of Safety*, "ample investment opportunities may exist in the securities that are excluded from consideration by most institutional investors. Picking through the crumbs left by the investment elephants can be rewarding" (pg. 54). In other words, we should fish where others are not.

That is the basis of how we manage money. We spend our time looking at the unknown, unloved and misunderstood - companies with small market capitalizations, spin offs, stocks trading under $5 per share, unlisted companies, etc. We then strive to find cash flow generators, since we believe that free cash flow is essentially what the investor is buying.

The best cash flow generators score high on four metrics - high profit margins, growing sales, pricing power, and low capital intensity. This allows the business to reinvest its cash flows back into the business when attractive, or use it in a shareholder friendly manner – dividends, share repurchases, acquisitions, or debt repayment. A recent addition to our portfolio that is representative of what we look for is Blucora (BCOR).

Blucora – Terrible Past, Terrific Future

Blucora is in the online search and tax preparation business. It has a market cap of $650 million. It is definitely unknown (due to a name change), unloved (due to the past tech boom and bust) and misunderstood (assumed to be poorly positioned). The company was previously known as InfoSpace, but changed its name in 2012 after acquiring TaxACT. Anyone familiar with InfoSpace from the tech boom and bust probably cringes at the thought of it being an attractive investment, yet it is. Through cutting costs and a wonderful acquisition, the company has repositioned itself to create substantial shareholder value.

Blucora's search business, still called InfoSpace, does not generate its own search content. InfoSpace aggregates content from providers such as Google and Yahoo!, who pay InfoSpace to distribute the content. InfoSpace provides the search technology, content, and other services to its distribution partners (third party websites). In other words, they are a reseller of Google and Yahoo!'s search business to third parties, such that when a consumer clicks on a paid ad, the third party, InfoSpace, and the search provider all generate revenue.

TaxACT provides online tax preparation for individuals, tax preparation software for professionals, and ancillary services. The business was acquired on January 31, 2012 after TaxACT's proposed sale to H&R Block was barred by a federal judge after objections by the Justice Department because it would diminish competition in the tax preparation market. The decision opened the door for Blucora to match the $287.5 million selling price and pick up a wonderful business.

You won't find Blucora popping up on a screen for low PE stocks. Blucora's shares trade for just under $16 per share with trailing earnings of $0.54 per share. It is only when you dig deeper that you discover Blucora's impressive cash flow. 2012 reported earnings of $22.5 million are substantially lower than actual cash earnings of $70.8 million, or $1.72 per share, due to three non cash items – stock based compensation of $13.2 million, amortization of intangible assets of $19.2 million, and non cash tax expenses of $13.6 million.

As a policy, we never add back stock based compensation to earnings. We view it as a real cost. The other two items do not represent true costs. The acquired intangible amortization is largely related to the recent acquisition of TaxACT, and is not reflective of any decline in the value of TaxACT. Tax ACT is continuing to increase revenues and earnings. The non cash tax expenses are due to historical operating losses, which resulted in over $720 million of net operating losses (NOLs). The NOLs don't expire for 8 to 12 years. In other words, Blucora's income statement shows a normal tax rate; however, due to the NOLs, it will actually pay very little in the way of income taxes over the next decade.

Blucora	**2010**	**2011**	**2012**
Net Income (000's)	4,680	21,594	22,526
Discontinued Operations	4,593	9,927	-
Stock Based Compensation	13,918	7,688	13,223
Amortization Acq. Int. Assets	9,197	2,595	19,199
Non Cash Tax Expense	8,530	(13,000)	13,559
Other	(154)	(40)	2,253
Non-GAAP Net Income	40,764	28,764	70,760
Diluted non-GAAP EPS	$ 1.11	$ 0.74	$ 1.70
Our Adjusted non-GAAP EPS	**$ 0.75**	**$ 0.56**	**$ 1.43**

Thus, what at first glance appears as $22.5 million in earnings is more accurately $57.6 million, or $1.43 per share in economic earnings once we include the stock based compensation. As we noted above, Blucora has a $650 million market cap. Enterprise Value (market cap + debt – cash) is $560 million, or just ten times our adjusted economic earnings. That is fairly attractive for a company showing no growth.

Here is the kicker. Blucora is actually experiencing substantial growth and we believe investors get that growth for free. The company guidance for the March 2013 quarter is for 35% revenue growth versus the prior year. More impressive is a 100% projected rise in GAAP net income and 50% increase in non-GAAP net income. I would note that nearly half of the revenue increase is due to owning TaxACT for the full quarter versus only two months in 2012.

As we noted in the introduction we ideally look for cash flow generators - companies with high profit margins, growing sales, pricing power, and low capital intensity. In 2012 Blucora had 34% operating margins, which is very good. Search Revenues grew over 50% year over year, while TaxACT grew at nearly 10%. TaxACT doesn't charge customers for its basic federal filing. If TaxACT chose it could change the business model and begin charging fees; however, it prefers to have free basic services as a draw and then charge for add on services such as state filings. We would certainly defer to their judgment.

Regarding capital intensity, Blucora is on the extreme end of the spectrum. Tangible book value is just $52 million. What is incredible is that the figure is not only less than the economic earnings in 2012, it is not adjusted for the net cash balance of $88 million, nearly all of which is not needed to support the existing business and is available for additional acquisitions.

In March 2013 Blucora announced a $175 million convertible debt offering. The debt is convertible into shares at $21.66 per share. While we agreed with issuing debt in the current low rate environment, we probably would have preferred conventional debt to avoid any dilution. Regardless, between the $88 million in net cash on the books at year end and the projected debt offering Blucora will have nearly $250 million of dry powder to work with. Thus we would expect Blucora to continue implementing its business plan to acquire technology and internet related businesses by making another acquisition in 2013 allowing it to make further use of its NOLs to shield much of the tax bite. The future is certainly bright for Blucora.

Tax Information – K-1's and Form ADV Part 2

The fund's auditors have completed our annual audit. All investors in the fund have agreed to have their K-1's transmitted electronically. If you need to have it resent to you, please email us.

Investors in the fund will also find the annual audit and Eriksen Capital Management's Form ADV Part 2, which includes our privacy policy, attached.

Room for New Members and/or Additional Funds

We still have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments must be for a minimum of $10,000.

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Sincerely,

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Managing Member – Tim Eriksen Eriksen Capital Management, LLC 567 Wildrose Cir., Lynden, WA 98264

May 16, 2013

Subject: Cedar Creek Partners April 2013 Unaudited Results

Dear Partner:

Large caps continued their strong performance during April, while small caps, as measured by the Russell 2000, declined. The fund underperformed during the month largely due to temporary share price weakness in a few of our larger micro cap positions on the month-end measuring date. This is not unusual for a concentrated small and micro cap portfolio to experience. While it is still a little annoying we have learned to be largely oblivious to it.

Calendar months are really arbitrary measuring periods. Thus it is not surprising that the fund is doing very well in the first half of May due in part to the temporary decline at the end of April. Overall, the fund declined 1.8% in April, and was up 8.3% year to date, net of fees and expenses.[4]

	Apr '13	2013	Inception	Ave. Annual
Cedar Creek	**-1.8%**	**8.3%**	**191.4%**	**15.8%**
DJIA	3.9%	14.1%	64.7%	7.1%
Russell 2000	-0.4%	12.0%	47.6%	5.5%
Nasdaq	1.9%	10.2%	43.7%	5.1%
S&P 500 (SPY)	1.9%	12.6%	44.1%	5.1%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

April Details

Notable contributors in April were Conrad Industries (CNRD), AIG (AIG) in-the-money LEAPs, Teton Advisors (TETAA) and Pardee Resources (PDER). Notable detractors were Revett Minerals (RVM), First Internet Bancorp (INBK), Monument Mining (MMY.V) and Hennessy Advisors (HNNA).

[4] 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 under-valued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

Cash Levels and Fund Repositioning

The fund's cash levels, excluding short credits, finished the month at 24%. The higher percentage is in line with our approach of being more patient for excellent opportunities, and is also a reflection of our positions in DirecTV and AIG being purchased via in the money call options. During the month we took advantage of the temporary price weakness in a number of positions. We added to five of our top six positions. We made modest reductions in a few holdings, substantially reduced our position in another, and eliminated our positions in Microsoft (MSFT) and Peerless Systems (PRLS). We did initiate a couple of minor new positions.

Value Investing Congress Presentation on First Internet Bancorp.

I had the privilege of being a speaker at the 8th Annual Spring Value Investing Congress in Las Vegas earlier this month. At the Congress I presented a talk entitled Size Matters: Smaller is Better! I detailed the structural advantages that smaller funds (and smaller investors) have over their larger brethren in that it allows the smaller fund or investor to gain meaningful returns from smaller stocks, which have historically outperformed larger stocks. I then featured a micro cap stock that the fund owns shares in, First Internet Bancorp (INBK).

First Internet Bancorp is an internet based bank located in Indianapolis, IN. It was founded in 1999. INBK takes deposits from nearly every state, and can make loans to individuals and businesses in nearly every state. Being based in Indianapolis is ideal due to its low cost. By eliminating the costs of local branches, INBK is able to offer better rates on deposits and lower fees. The company just listed on the Nasdaq in February of 2013.

Our basic thesis was that buyers were getting a well run bank, with excellent management and board, that was prepared to grow rapidly once interest rates rise. In the interim it is trading at under 8 times earnings and still growing at an attractive rate. We believe the stock is cheap due to illiquidity, lack of institutional coverage, and being in an industry that is still out of favor.

Once rates rise, we think the bank could grow its balance sheet rapidly by retaining some of the loans they are currently making and selling off. In 2012 the bank originated over $735 million in mortgage loans, which is quite impressive considering its current loan portfolio is just over $350 million. Once they begin to retain more loans, earnings could rise rapidly from the current $3.10 per share to $5.00 per share in just a few years.

We also spent a few minutes walking through how when a bank begins to expand its loan portfolio that GAAP (Generally Accepted Accounting Principles) will make it appear that earnings are declining due to the non-cash loan loss provision that banks typically make when putting a additional loans on the books. Economic earnings will actually be positive due to the additional interest income, but reported earnings will not reflect that immediately. This often creates attractive buying opportunities in community banks as the true earnings power of the bank can be masked during a growth phase.

Room for New Members and/or Additional Funds

We still have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments must be for a minimum of $10,000.

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Managing Member – Tim Eriksen   Eriksen Capital Management, LLC   567 Wildrose Cir., Lynden, WA 98264

July 8, 2013

Subject: Cedar Creek Partners May and June 2013 Unaudited Results

Dear Partner:

All the major indices suffered a minor pullback in June after a strong performance in May with small caps, as measured by the Russell 2000, leading the way so far in 2013. The fund rebounded strongly in May, and performed in line with the indices in June. Overall, the fund increased 6.9% in May, -0.7% in June, and was up 14.8% year to date, net of fees and expenses.[5]

	June '13	May '13	2013	Inception	Ave. Annual
Cedar Creek	**-0.7%**	**6.9%**	**14.8%**	**209.0%**	**16.3%**
DJIA	-1.5%	2.4%	15.1%	66.1%	7.0%
Russell 2000	-0.5%	4.0%	15.9%	52.7%	5.8%
Nasdaq	-1.5%	3.8%	12.7%	46.9%	5.3%
S&P 500 (SPY)	-1.3%	2.4%	13.7%	45.5%	5.2%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

May and June Details

Notable contributors in the May through June period were Hennessy Advisors (HNNA), Blucora (BCOR), First Internet Bancorp (INBK), Teton Advisors (TETAA), and AIG (AIG) in-the-money LEAPs. Notable detractors in the May through June period were Monument Mining (MMY.V) and Revett Minerals (RVM). We have decided to exit our position in Revett Minerals.

Cash Levels and Fund Repositioning

The fund's cash levels, excluding short credits, finished June at 23%. The higher percentage is in line with our approach of waiting more patiently for excellent opportunities, and is also a reflection of our position in AIG being purchased via in the money call options. During the month we initiated a couple of minor new positions. One of the new positions moved up in price before we could fully establish our position, thus we will not mention it in hopes that we get another chance.

[5] 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 under-valued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

We eliminated our position in DirecTV (DTV) January 2014 LEAPS. We were very pleased with the result as we had laddered various strike prices. Returns ranged from 60% on the $30 January 2014 calls to over 200% on the $50 January 2014 calls over the one year holding period.

Now that we have sold we can give some more clarity on why we entered the position and why we sold. DTV is an excellent business with solid growth prospects in Latin America, and a stable outlook in the United States. It throws off a lot of cash and was using generated cash plus substantial low rate borrowings to shrink its share base. Thus the longer the share price stayed low the better it would be long term for investors. It was functioning like a coiled spring.

Our decision to sell was based on the stock reaching our conservative target of fair value and the implication of that. Since DTV is aggressively repurchasing stock, the higher share price will limit how accretive future repurchases would be. We'd rather DTV be repurchasing two million shares a week at $50 per share than 1.6 million at $62.50 per share. Thus it was an interesting position to own since it clearly reflected the scenario of "heads I win, tails I win" (absent a technological or regulatory change that significantly impacted the business model).

If the share price stayed low, DTV's repurchases, at prices well below intrinsic value, would increasing the intrinsic value on a per share basis. It was just a matter of when it was going to be reflected in the market. In other words, it was highly likely to either result in very good near term outcome, or a delayed outcome that would be worth the wait.

Room for New Members and/or Additional Funds

We still have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments must be for a minimum of $10,000.

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Managing Member – Tim Eriksen   Eriksen Capital Management, LLC   567 Wildrose Cir., Lynden, WA 98264

August 7, 2013

Subject: Cedar Creek Partners July 2013 Unaudited Results

Dear Partner:

All the major indices posted strong returns in July, with small caps and technology leading the way. The fund, despite maintaining a 20% cash balance, performed in line with the indices, increasing 5.0%, net of fees and expenses. Year to date the fund has returned 20.6%, net of fees and expenses.[6]

	July '13	2013	Inception	Ave. Annual
Cedar Creek	**5.0%**	**20.6%**	**224.7%**	**16.9%**
DJIA	4.4%	20.1%	73.3%	7.6%
Russell 2000	7.0%	24.0%	63.4%	6.7%
Nasdaq	6.6%	20.1%	56.5%	6.1%
S&P 500 (SPY)	5.2%	19.6%	53.0%	5.8%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

July Details

Notable contributors in July were First Internet Bancorp (INBK) up 16%, Trinity Biotech (TRIB) up 15.6%, Monument Mining (MMY.V) up 14%, and Hennessy Advisors (HNNA) up 9%. Notable detractors in July were Coach (COH) and Pardee Resources (PDER), which fell 7% and 2% respectively.

Cash Levels and Fund Repositioning

The fund's cash levels, excluding short credits, finished July at 20%. The higher percentage is in line with our approach of waiting more patiently for excellent opportunities, and is also a reflection of our position in AIG being purchased via in the money call options. During the month we began building a minor new position. We will write more on it once we have completed our purchases.

[6] 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 under-valued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

Good Problems to Have

Sometimes in life there are good problems to have, such as having to buy new clothes because you successfully lost weight, or paying additional taxes because your income is higher. I know the last one is still tough for some of us to feel positive about, but it beats the alternative of not making money. While rising stock prices are always welcome, it too creates some problems.

The biggest problem is finding undervalued securities to replace ones that are now fairly valued. Over the last few months each time we have found an attractive security it has moved up in price before we completed building our position. It is frustrating to want a new idea to be 5% of the portfolio only to have it run up in price while it was just a 1% position. Instead of complaining about it, we have focused our energy on finding additional ideas. So far we have been successful. As a reminder, when we can't find attractive ideas we will not lower our standards, we will continue searching.

The second problem a quick rising market generates is taxes. The US tax system gives significant preference to long term capital gains and dividends. Short term capital gains are taxed as ordinary income which is less attractive. Our largest holdings have risen significantly in a relatively short amount of time. Hennessy Advisors (HNNA) has risen more than 200% from our initial purchases and more than 100% on our average purchase over the last nine months. Since it has a relatively short amount of time until it reaches long term status, and more importantly is still undervalued, we have done very little selling.

First Internet Bancorp (INBK), which I presented in May at the Value Investing Congress in Las Vegas, has risen 80% in just three months. Even though it trades at a reasonable price to earnings ratio of twelve, and the CEO recently made a significant purchase, we have trimmed it a bit. Since it had risen in price faster than the overall portfolio, it was becoming a larger weighted position at a less attractive price, which is something the fund is committed to avoiding.

We do care about minimizing taxes; however, it is *a* factor not *the* factor in how we manage the portfolio. As our monthly performance flyer states:

> We understand that taxes are something most people do not want to pay. One sure way to achieve this is to not make money. We do not find that attractive. While we would prefer to achieve long-term gains that are taxed more favorably than short-term gains, we will not make investment decisions based primarily on taxes. Our goal is to maximize investment gains, not minimize taxes.

This is why we will not indiscriminately sell a position that has experienced a decline in price in order to offset, or partially offset, taxable gains generated elsewhere in the portfolio. Our approach is to evaluate each security and analyze which one, if any, makes the most sense to sell taking into account the benefit of gaining a realized loss.

Room for New Members and/or Additional Funds

We still have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments must be for a minimum of $10,000.

If this letter was passed on to you and you would like to be added to our monthly distribution list, please email me at the email address below. This will allow you to receive our updates on a regular basis. Should you have any questions regarding the fund, please don't hesitate to call or email.

Sincerely,

Tim Eriksen
Manager
Cedar Creek Partners LLC
email: tim@eriksencapital.com
www.eriksencapital.com
office: 360-393-3019

Managing Member – Tim Eriksen Eriksen Capital Management, LLC 567 Wildrose Cir., Lynden, WA 98264

September 5, 2013

Subject: Cedar Creek Partners August 2013 Unaudited Results

Dear Partner:

All the major indices declined in August. Most were down between 3 and 4%, except for the NASDAQ, which declined a more modest 1%. The fund, despite maintaining a 20% cash balance, outperformed the indices, increasing 3.6%, net of fees and expenses. Year to date the fund has returned 25.0%, net of fees and expenses.[7]

	Aug '13	2013	Inception	Ave. Annual
Cedar Creek	**3.6%**	**25.0%**	**236.5%**	**17.2%**
DJIA (DIA)	-4.3%	15.0%	65.9%	6.9%
Russell 2000	-3.2%	20.0%	58.2%	6.2%
NASDAQ	-1.0%	18.9%	54.9%	5.9%
S&P 500 (SPY)	-3.0%	16.0%	48.5%	5.3%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

August Details

The most notable contributor in August was First Internet Bancorp (INBK) which began the month at $24.37 per share, briefly peaked at $36 before closing the month at $27.52 per share. We reduced our position by 70% at an average realized price of about $30.50 in the month. We recorded an approximately 80% gain over the six month holding period. Other contributors in the month were Starz Entertainment (STRZA) up 11%, Automodular (AM.TO) up 10%, including dividends and Hennessy Advisors (HNNA) up 8%. Notable detractors in July were Hallador Energy (HNRG) down 7%, Monument Mining (MMY.V) down 4% and Tropicana Entertainment (TPCA) down 3%.

[7] 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 under-valued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

Cash Levels and Fund Repositioning

The fund's cash levels, excluding short credits, finished August at 23%. The higher percentage is in line with our approach of waiting more patiently for excellent opportunities, and is also a reflection of our position in AIG being purchased via in the money call options. We closed out two smaller positions during the month – Coach (COH) and Brazil Fast Foods (BOBS), and replaced them with, what we believe to be, more attractive securities. We also continued to build a position in Hallador Energy (HNRG).

Hallador Energy

Hallador Energy is the owner of Sunrise Coal LLC, which owns and operates coal mines in Indiana. In addition, Hallador has ownership interests in two small oil and gas exploration companies (Savoy Energy and Sunrise Energy). Obviously, coal mining is a capital intensive business, thus we are only interested when we can find a low cost operator that has the ability to attractively expand its operations. Hallador fits the bill nicely.

Hallador currently operates two coal mines in the Illinois basin: the underground Carlisle mine, which produces approximately 3.3 million tons of coal annually; and the recently acquired Ace-in-the–Hole mine, which produces 0.5 million tons annually. Hallador is one of the lowest, if not the lowest, cost producers in the Illinois Basin, and it is in the process of developing an additional mine in 2014 that will likely double production levels.

We prefer owning the low cost producers to the high ones. The reason is that we have realized (the hard way) that we do NOT possess the ability to accurately predict the price direction of a commodity. While the high cost producer can swing to significant profits on a per share basis when prices rise, it is at risk of enormous losses when prices decline. A modest price change in the commodity can result in violation of Buffett's "Rule No.1: Never lose money." A conservatively financed low cost producer is the least likely to encounter financial stress.

Hallador has 28.6 million shares outstanding at $7.34 per share, for a market cap of $210 million. It has $15 million in cash and $11 million of outstanding debt on a $165 million credit facility, thus it should have no trouble developing the Bulldog Mine with little or no share dilution, which is extremely important. The Carlisle mine became operational in 2007 thus we are confident management understands what is required to develop a new mine in the current regulatory climate. Earnings over the trailing twelve months are $0.87 per share, resulting in an attractive PE ratio of 8.5 (or conversely an earnings yield of 12%). The company currently pays a $0.04 quarterly dividend, resulting in a dividend yield of 2.1%.

It appears that coal prices are exiting a trough (not that I know where prices are headed). Hallador notes in their filings that after enjoying a brief period of high prices, coal prices pulled back as natural gas prices plummeted, resulting in some utilities switching from coal to natural gas. Additional headwinds have been due to the weak economy, environmental regulation, and increased competition. On the positive side, natural gas prices have come off their lows and the shift from reliance on coal from Appalachia to the Illinois Basin continues. In addition, increased environmental

concerns resulted in more plants having installed scrubbers enabling them to burn the higher sulfur content coal coming from the Illinois Basin.

Hallador Energy (000's)	**2010**	**2011**	**2012**	**1H 2013**
Coal Sales	129,003	137,998	131,370	68,144
Gain on Sale	-	10,653	3,051	-
Equity Income – Savoy Energy	1,005	5,476	2,039	2,447
Equity Income – Sunrise Energy	425	922	167	347
Liability Extinguishment	-	-	-	4,300
Other	(772)	2,305	4,696	3,160
Total Revenue	129,661	157,354	141,323	78,398
Cost of Coal Sales	73,307	77,094	79,739	45,552
Depreciation	11,818	14,096	16,028	9,210
Coal Exploration Costs	-	1,132	2,453	986
SG&A	5,556	7,004	7,532	3,650
Interest	1,926	1,288	1,096	823
Total Costs	92,607	100,614	106,848	60,221
Income Before Taxes	37,054	56,740	34,475	18,177
pre-tax margin	*29%*	*36%*	*24%*	*23%*
Income Taxes	(14,254)	(20,931)	(10,668)	(4,544)
Net Income	22,800	35,809	23,807	13,633
EPS - Diluted	$ 0.80	$ 1.25	$ 0.83	$ 0.47
Shares - Diluted	28,571	28,694	28,843	28,849

Currently 84% of Hallador's sales are within the state of Indiana, with the closest plant being just 13 miles away, and the furthest 100 miles. None of the plants are scheduled for retirement; therefore, Hallador should be able to supply them for many years to come. Hallador's operations are near CSX rail lines allowing them to easily sell coal to customers outside of Indiana and neighboring Illinois. In 2012 the company sold some production for delivery in Florida. In addition, they recently purchased a truck/barge terminal on the Ohio River. This will allow them to eventually ship coal via barge.

As investors we like to be able to easily model the operations of the business. Hallador's SEC filings are easy to understand and provide a wealth of information for the analyst. This is important, since the better we can predict the economics of the business, the greater the comfort level we will have investing a higher percentage of the portfolio in the security.

The greatest near term concern with Hallador is that it has a large shareholder who is exiting the stock. Yorktown Energy Partners VI is apparently winding down and has been distributing shares to investors each quarter. It last reported owning 1.05 million shares, which was less than 5% of outstanding shares, so further sales will not need to be reported. Yorktown Energy Partners VII and Yorktown Energy Partners VIII owned 5.7 million shares and 2.95 million shares respectively, according to SEC filings.

Neither has reported any recent sales or distributions. Presumably, the selling of shares by Yorktown is what occasionally sends the share price down even though there has been no reported material change in the business. While a concern, this does create an attractive entry opportunity for investors who are willing to look long term. It also creates the opportunity for a well financed long term investor to come in and purchase a large position.

On the positive side, Hallador has an unusually high level of share ownership by management and the board of directors (excluding Yorktown). Management and directors combined own more than 30% of the outstanding shares, and have been net purchasers in recent months.

While we prefer less capital intensive businesses, we are quite comfortable purchasing shares in a business like Hallador at a low price to earnings when it has ample opportunity to grow those earnings in the coming years without materially diluting existing shareholders. Three to four years from now Hallador could be producing twice its current levels, which could lead to a doubling of earnings per share and in turn the share price.

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We still have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments must be for a minimum of $10,000.

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office: 360-393-3019

Managing Member – Tim Eriksen Eriksen Capital Management, LLC 567 Wildrose Cir., Lynden, WA 98264

October 16, 2013

Subject: Cedar Creek Partners September 2013 Unaudited Results

Dear Partner:

All the major indices rose in September, with small caps (Russell 2000) and technology (Nasdaq) leading the way. The fund, despite maintaining a cash balance of nearly 20%, performed in line with the indices, increasing 3.5%, net of fees and expenses. Year to date the fund has returned 29.4%, net of fees and expenses.[8]

	Sep '13	2013	Inception	Ave. Annual
Cedar Creek	**3.5%**	**29.4%**	**248.2%**	**17.6%**
DJIA (DIA)	2.3%	17.7%	69.8%	7.1%
Russell 2000	6.4%	27.7%	68.3%	7.0%
NASDAQ	5.1%	24.9%	62.8%	6.5%
S&P 500 (SPY)	3.2%	19.7%	53.2%	5.7%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

September Details

The most notable contributors in September dollar wise were Hennessy Advisors (HNNA) and Blucora (BCOR), which rose 9% and 15%, respectively. All told 10 of the fund's 26 positions rose 10% or more. Other contributors included Starz Entertainment (STRZA) up 13%, Trinity Biotech (TRIB) up 14%, and a number of micro cap names. Notable detractors in September were Monument Mining (MMY.V) down 10% and Pardee Resources (PDER) down 9%.

Cash Levels and Fund Repositioning

The fund's cash levels, excluding short credits, finished September at 17%. The higher percentage is in line with our approach of waiting more patiently for excellent opportunities, and is also a reflection of our position in AIG being purchased via in the money call options. We added one new position in a micro cap that we believed was trading below its intrinsic value. It rose 16% from our purchase price. We closed out one position – Cigna (CI). We purchased the stock a year ago at $41.65 per share, and

[8] 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 under-valued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

sold at $76.73 per share. We also increased our positions in some of our holdings that declined during the month.

Thoughts on Short Term Gains and Portfolio Construction

We all understand that under our current tax structure it is wise to minimize short term gains. Unrealized gains and long term capital gains are clearly preferable. Having said that, we have always taken the approach that a) short term gains are better than no gains; and b) overall returns will be higher if the portfolio is built on maintaining larger positions in undervalued securities (versus being bogged down with fairly valued securities where we are waiting for long term tax treatment).

Most of the time, the issue isn't that relevant, but occasionally we have a position move up rapidly after purchase, such as First Internet Bancorp (INBK) did; or we find a wonderful opportunity where we build a large position and position limits or relative attractiveness "force" us to trim as the security rises in price, resulting in the initial sales being short-term gains, such as Hennessy Advisors (HNNA).

The alternative is to either purchase less of a wonderful opportunity, which we find foolish on multiple levels, or to continue to hold fairly valued or overvalued securities, which we also find unwise. This is why we sold the majority of our position in First Internet as it rose rapidly soon after our purchase, and why we have continuously trimmed Hennessy as it has more than tripled over the last ten months. The end result for fund investors is that at present approximately one-fourth of our performance for the year is realized short term gains.

Room for New Members and/or Additional Funds

We still have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments must be for a minimum of $10,000.

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Managing Member – Tim Eriksen *Eriksen Capital Management, LLC* *567 Wildrose Cir., Lynden, WA 98264*

November 8, 2013

Subject: Cedar Creek Partners October 2013 Unaudited Results

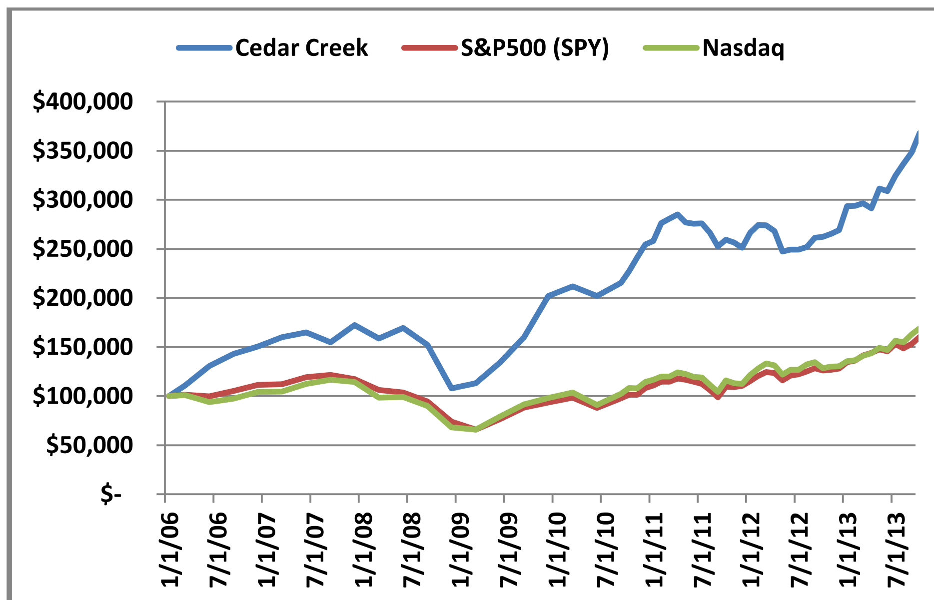
Dear Partner:

All the major indices rose in October, with the S&P 500 (SPY) and Nasdaq (technology) leading the way. Cedar Creek, despite maintaining a cash balance of nearly 20%, increased by 5.8%, net of fees and expenses. Year to date the fund has returned 36.8%, net of fees and expenses.[9]

	Oct '13	2013	Inception	Ave. Annual
Cedar Creek	**5.8%**	**36.8%**	**268.3%**	**18.2%**
DJIA (DIA)	2.3%	21.1%	71.9%	7.2%
Russell 2000	2.5%	30.9%	72.6%	7.3%
NASDAQ	3.9%	29.8%	69.2%	7.0%
S&P 500 (SPY)	4.6%	25.3%	60.3%	6.2%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

Value of $100,000 invested in Cedar Creek at inception versus the major indices.



[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 under-valued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

October Details

The most notable contributor in October was Hennessy Advisors (HNNA), which rose over 20% during the month. Other contributors were Tropicana Entertainment (TPCA) up 21%, AIG (AIG) Leaps up 16%, Trinity Biotech (TRIB) up 15%, and AutoModular (AM.TO) up 12%. Overall, 24 of the fund's 27 positions finished higher on the month. The largest detractor to performance, was a micro cap, Noble Roman's (NROM) which declined 12%.

Cash Levels and Fund Repositioning

The fund's cash levels, excluding short credits, finished October at 18.7%. The higher percentage is in line with our approach of waiting more patiently for excellent opportunities, and is also a reflection of our position in AIG being purchased via in the money call options. The only new position was selling some out of the money calls on one of our larger positions. We closed out our remaining position in First Internet (INBK) after earnings were worse than we expected.

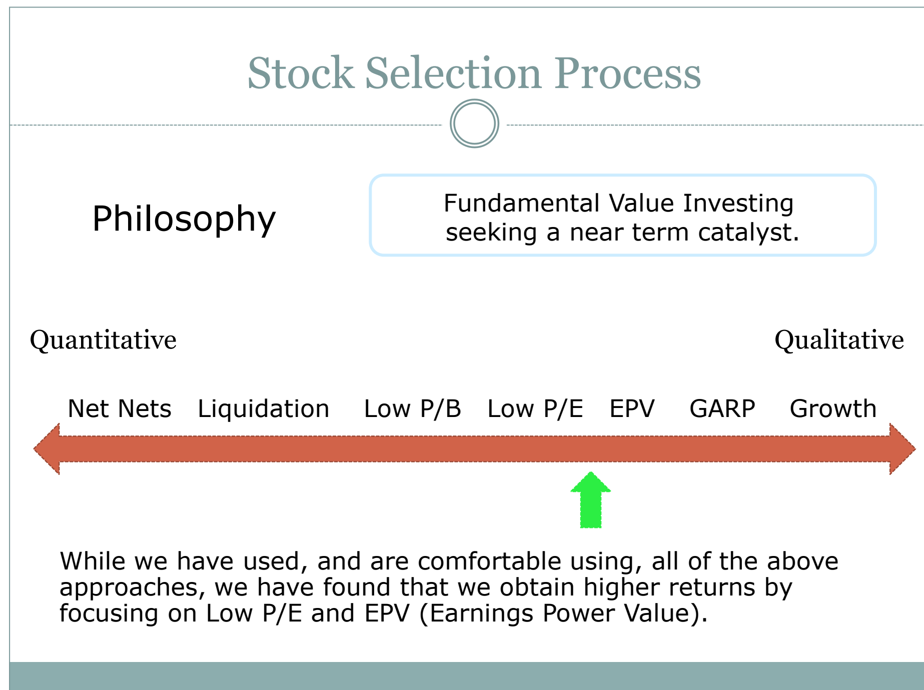
Why We Don't Care (Much) **About Book Value**

By definition, a value investor is someone who seeks to purchase securities for less than what they are worth. For many value investors that means focusing on the balance sheet and looking for companies where the market price is below the value of the firm's net assets (i.e., discount to book value). On the conservative end of the value spectrum are investors looking for "net-nets" where the market price of the stock is less that current assets minus all liabilities. (For those who don't readily recall what they learned in accounting, current assets include items such as cash, accounts receivable, and inventory. In other words items expected to be converted into cash within one year.) Essentially this means net-net investors place no value on plant and equipment and other items that are not listed on the balance sheet as current assets. This situation is very rare and typically there are just a handful of stocks to choose from. What is helpful is that technology has made them easier to find due to screening programs.

Nearly all value investors broaden their approach beyond accounting book value and look for hidden assets, such as undervalued real estate, or items that have been depreciated whose true value is much greater than what it appears on the accounting statement. This increases the potential pool of investment opportunities without significantly increasing downside risk; however, it requires more investigative work. A screening program cannot tell you if the real estate is undervalued on the books or if the true value of certain assets is greater than the accounting book value. These first two approaches are not focused on the value of the ongoing business, rather they are focused on the value of the business' assets.

Most value investors broaden even further to look for low price to book value stocks. Ideally the market is pricing the stock below book value, but some will allow for a modest premium to book. Typically these are situations where the investor's downside is limited to the modest premium over book or liquidation value being paid, but the upside is greater since the company's prospects for future earnings is higher than the net-net or liquidation value approach.

While we continually look at and occasionally invest in all three of these types of situations, we long ago gravitated to an earnings focused style of value investing. Warren Buffett described it as moving on from the "cigar butt" approach, where there is one good puff left, to focusing on higher quality businesses that are highly likely to continue to generate free cash in the future. In other words, what we are striving to do is find securities where the market is mispricing the future stream of cash flows.



We are looking for stocks with low price to earnings, typically below ten, that have modest, or better, earnings growth prospects. If the price paid is low enough, and the growth does not materialize, our downside should be limited. Hopefully, the downside is that the stock "only" generates returns equal to its earnings yield (the inverse of price to earnings). For example, if we pay eight times earnings and earnings remain flat, the stock would hopefully generate a 12% annual return over time. The only way this occurs in reality is if it is not a capital intensive business. Then earnings are truly free cash flow and can be used to pay down debt, purchase income generating assets, pay dividends, or repurchase shares.

Ideally, growth will materialize, resulting in market beating returns due to having earnings increase, and having the market multiple expand. PE (price to earnings) multiple expansion is the essential component necessary for this approach to significantly outperform. This is why the price paid is of great importance. For example, if we purchase a stock at eight times earnings, and earnings grow 25% over three years, and the market valuation increases from eight times earnings to a more rational thirteen times, we would double our money over that three year time frame, which equals 24% annualized returns before fees and expenses. The sooner the PE multiple expansion occurs the greater the returns will typically be.

What we do not do is follow the "growth approach" where current valuation is high in relation to the company's current earnings. In other words the buyer pays a high price to current earnings based on a very high projected growth rate (typically 20% or more

per year). Success requires the high growth to materialize and for the high price to earnings multiple to remain stable. The downside (which we find unacceptably risky) is that if the growth stops (or slows) the stock price will typically crater due to it suddenly going from a high projected growth rate to a low projected growth rate. In other words PE multiple contraction occurs, which can be devastating to returns. This approach requires a great deal of investigation and accuracy in regards to future prospects and involves too much downside risk in our opinion.

Taking a look at the fund's holdings reveals the emphasis on the low P/E and EPV (Earnings Power Value) approach. Nearly all of the low P/B (Price to Book) stocks have single digit PE ratios as well.

Positions Greater Than 1% of Cedar Creek's Assets

Net Nets	Liq. Value	Low P/B	Low P/E	EPV
Peerless	CIBL	Pardee Resources	Hallador Energy	Hennessy Advisors
		AutoModular	Conrad Industries	Blucora
		Tropicana Ent.	SE Bank Financial	Teton Advisors
		Monument Mining	Chesapeake Fin.	Trinity Biotech
		Schuff Int'l		Starz Ent.
		AIG		Noble Roman's

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office: 360-393-3019

Managing Member – Tim Eriksen   Eriksen Capital Management, LLC   567 Wildrose Cir., Lynden, WA 98264

December 18, 2013

Subject: Cedar Creek Partners November 2013 Unaudited Results

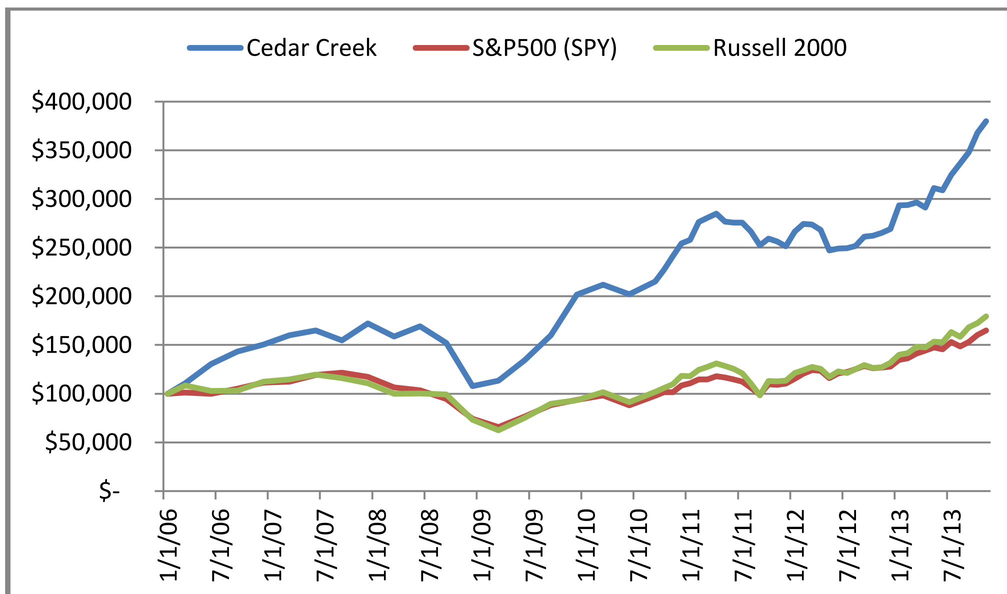
Dear Partner:

All the major indices rose in November, with the Russell 2000 (small caps) leading the way. Cedar Creek, despite maintaining a cash balance of nearly 20%, increased by 3.2%, net of fees and expenses. Year to date the fund has returned 41.2%, net of fees and expenses.[10]

	Nov '13	2013	Inception	Ave. Annual
Cedar Creek	**3.2%**	**41.2%**	**280.1%**	**18.5%**
DJIA (DIA)	3.7%	25.6%	78.2%	7.6%
Russell 2000	4.0%	36.1%	79.5%	7.7%
NASDAQ	3.6%	34.5%	75.2%	7.4%
S&P 500 (SPY)	3.0%	29.0%	65.0%	6.6%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

Value of $100,000 invested in Cedar Creek at inception versus the major indices, net of fees and expenses.



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November Details

The most notable contributor in November was Blucora (BCOR), which rose over 20% during the month. Other contributors were Conrad Industries (CNRD) up 13% after announcing a special dividend, and our asset management holdings - Hennessy Advisors (HNNA) and Teton Advisors (TETAA). The largest detractors to performance were Starz Entertainment (STRZA), Monument Mining (MMY.TO), and AIG (AIG).

Cash Levels and Fund Repositioning

The fund's cash levels, excluding short credits, finished November at 21.3%. The higher percentage is in line with our approach of waiting more patiently for excellent opportunities, and is also a reflection of a portion of our position in AIG being purchased via in the money call options. We initiated two minor positions during the month. The first was a high dividend paying company which leases semi-submersible drill rigs. The second was a micro cap company where some activist shareholders appear to be poised to unlock value over the next year that we did not believe was fully reflected in the stock price. Since we are hoping for a pullback in price, we will withhold the names of each for now.

As the year is nearing an end we do hope you all have a wonderful holiday season. We have intentionally chosen to have this update be brief. We expect to write a more lengthy letter in January.

Room for New Members and/or Additional Funds

We still have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments must be for a minimum of $10,000.

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office: 360-393-3019

Managing Member – Tim Eriksen *Eriksen Capital Management, LLC* *567 Wildrose Cir., Lynden, WA 98264*

January 22, 2014

Subject: Cedar Creek Partners 2013 Unaudited Results

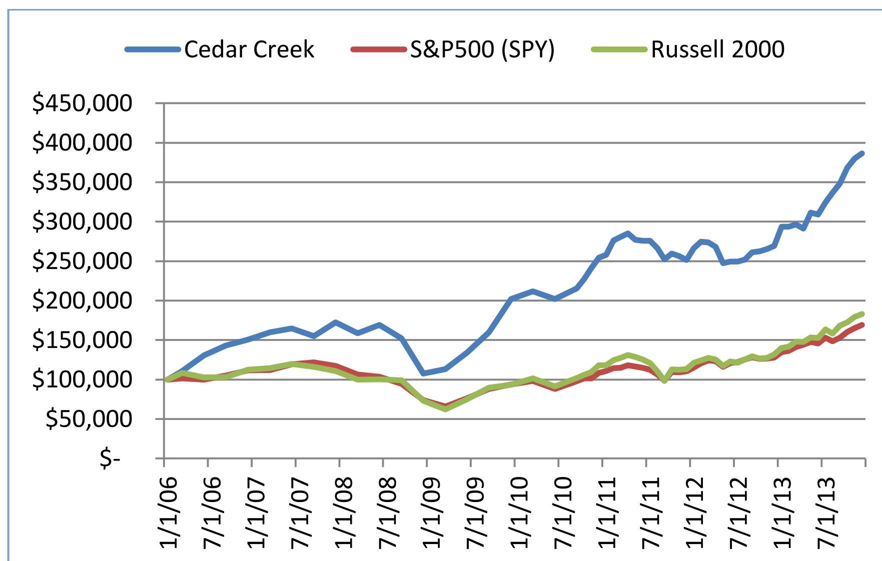
Dear Partner:

All the major indices experienced a strong year, with the Russell 2000 (small caps) and the Nasdaq (technology) performing the best, both increased over 38%. Cedar Creek, despite maintaining a cash balance of nearly 20%, increased by 43.6%, net of fees and expenses.[11]

	Dec '13	2013	Inception	Ave. Annual
Cedar Creek	**1.7%**	**43.6%**	**286.3%**	**18.5%**
DJIA (DIA)	3.2%	29.6%	83.9%	8.0%
Russell 2000	2.0%	38.8%	83.0%	7.9%
NASDAQ	2.9%	38.3%	80.3%	7.7%
S&P 500 (SPY)	2.6%	32.3%	69.3%	6.8%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

$100,000 invested in Cedar Creek at inception (January 15, 2006) would have grown to $386,410, net of fees and expenses, versus $183,005 for the Russell 2000 and $169,275 for the S&P 500 (SPY).



[11] 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 under-valued securities, than an index holding a far greater number of securities. Index returns are calculated from information reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

We are quite pleased with the fund's results in 2013. Obviously all the indices and the fund performed significantly better than their respective historical averages. We trust that both index investors, and investors in Cedar Creek, fully recognize that 2013 results were unusually high. We have no idea what 2014 will bring. While it would be nice if excellent years were predictable, they clearly are not.[12] Since we cannot predict the timing of events we continue to focus on searching for securities that we believe are worth more than what they are currently trading for and holding them until fair value is realized, or a more attractive opportunity presents itself.

Refresher

Periodically we think it is good to briefly revisit how the fund approaches investing. We adhere to a bottom-up value approach to investing. In other words we are not trying to predict future global or national economic conditions and then, based on those results, look for investments that will prosper if our analysis proves correct. While some may be able to succeed at investing that way, we prefer to think more like a small business owner/buyer. Whether the national economy grows at two or three percent is not very relevant to how much a prospective business owner would pay for the local fast food franchise or a rental property, for example.

We look at the nature of the business to see if it has good characteristics (high margins, low capital intensity, good management, potential growth, pricing power, etc.) and then look at the price being asked for the business. How much is the seller asking us to pay for the current cash flow and how likely are those cash flows going to continue? Are the cash flows increasing, or subject to decline? If we believe there is a meaningful discount between the price the seller is asking and what we believe the business (i.e., its free cash flows) is worth then we make the decision to make a purchase. Then, based on relative attractiveness and overall risk we decide how large of a position to make it in the portfolio.

Year in Review

The most notable contributors to returns for 2013 were Hennessy Advisors (HNNA) up 160%, First Internet Bancorp (INBK) up 65% on our average exit price, Blucora (BCOR) up 80%, Teton Advisors (TETAA) up nearly 90%, and Conrad Industries (CNRD) up 120%.[13] Combined they accounted for over 85% of the funds overall gains for the year. It is not surprising for a small number of securities to account for nearly all the gains in a concentrated portfolio. That is how the portfolio is designed. The most attractive security will have the highest weighting and is most likely, in our opinion, to generate the greatest returns.

Four of the five largest contributors were micro caps and the fifth was a small cap (Blucora), which is also not surprising. We like to fish were others are not. Micro caps due to their small size are largely ignored by Wall Street. As a result micro caps tend to trade at lower valuations, and, at times, prices are slow to respond to new

[12] For clarification – we do think that, in general, excellent years are more likely to occur when the market is trading at a lower price-to-earnings ratio than when at a higher ratio.
[13] Teton Advisors suffers from periods of illiquidity and wide bid/ask spreads.

information. Until we are forced to focus on larger companies we intend to take advantage of the opportunities our small size affords.

Two of the five largest contributors were asset managers (Hennessy and Teton). The asset management industry is easily our favorite space to invest. The industry scores high on nearly all of the characteristics of a good business noted earlier.

Without giving away any secrets, the reasons for the success in the space is general optimism and simplicity. By general optimism, we do not view the world through the lens that disaster is right around the corner. We invest largely as if present conditions will continue, unless there is compelling evidence to the contrary. This approach was reinforced growing up in the Central Valley of California, which is the raisin capital of the world. The raisin farmer has to pick the grapes and then let them sit out on paper or trays in the warm California sun to turn into raisins. Each year, he has to operate under the assumption that the weather will be warm and sunny in the late August/early September drying season, yet he must be prepared to take action if there is compelling evidence of rain coming, since it will damage the crop.[14]

By simplicity, we love how easy the asset management business is to understand and predict. Most asset managers disclose their assets under management (AUM) on a monthly basis. In addition their fees are public knowledge. This means that revenues are incredibly easy to estimate accurately with very little work. The biggest issue on the cost side is salaries. If salaries are kept reasonable (as a percentage of revenue), not only are current earnings very predictable, but earnings at various AUM levels are as well. That leaves the quality of the firm's investment approach and products as the primary factors to assess.

Of our top five performers in 2013, we have only exited one position so far – First Internet Bancorp (INBK), which had a share price spike late in the summer. We believe the valuations on the remaining four are still reasonably attractive, although clearly not as attractive as when we first purchased. Yet at the same time we have modestly sold some of our holdings. The reason for this is that some positions, such as Hennessy, have risen faster than the overall portfolio, resulting in an increase in their position size. Thus Hennessy, while less attractive now versus a year ago, absent modest selling, would be a larger position. This would be contrary to sound portfolio construction.

What We Would Prefer not to Talk About

It is also important to look at our failures as well. We only had two securities negatively impact overall returns by more than 0.1 percentage points – Monument Mining (MMY.V) and Revett Minerals (RVM). In aggregate they reduced overall gross returns by 6.5 percentage points. Both are in the precious metals space (Lesson #1).

Revett suffered a mine collapse on its only property (Lesson #2) that halted production and forced substantial resources to be spent on regaining access to their copper and silver deposits. While we had purchased the security based on the potential of their Rock Creek mine, which was still in permitting, we decided it was best to sell due to the length of time it would take to re-start the existing mine, and more importantly, the

[14] In high school or college I was actually hired for a day to go into the vineyard and take the paper the raisins were still drying on and wrap the paper around the raisins in order to protect them from pending rain.

impact the added expense would have on the ability of Revett to develop Rock Creek without materially diluting shareholders. In the mining business when a company becomes desperate for funds, shareholders typically lose out to the group providing high cost funding.

Monument Mining (MMY) was a hedge if gold prices rose and was also supposed to be a great opportunity to make money if prices remained fairly stable. The company's Selinsing mine is one of the lowest cost gold mines in the world, with a cash cost of under $500 per ounce and production of 50,000 ounces annually, it generates approximately $35 million in annual cash flow. It has expected reserves of just four to five years, but it seems probable that additional reserves will be found nearby. The company had a net cash balance, and was trading at around two times earnings. In other words, we believed it had the potential to easily go up three or four fold.

Unfortunately management must have slept through most of their finance classes. Instead of shrinking their share base and waiting patiently for a good property to purchase, management chose to buy a property that would cost hundreds of millions of dollars (it did not have) to develop. It then proposed issuing more shares at less than two times earnings. Essentially shareholders were having their ownership of a low cost, low risk producing gold mine diluted in order to own a high cost, high risk polymetalic project.

To date, management has spent over $90 million on the Mengapur project versus its current market cap of just $60 million. What is worse is that Monument had $40 million in cash as of their most recent quarterly report and no debt. The market is saying that under current management: $40 million in cash plus a mine producing $35 million in annual cash flow for the next four to five years (conservatively valued at $130 million), plus Mengapur ($90 million invested to date) is worth $60 million. If you do the math, existing management is "worth" a negative $200 million.

We have tried to show management the error of its ways and how buying back shares would be in shareholders best interest, since they would effectively be buying more of a great low cost mine (on a per share basis). Sadly, management doesn't get it (Lesson #3). In fact, they have just agreed to buy another high cost gold mine for $25 million. No wonder, its share price fell by nearly 50% during 2013.

In the words of Duck Dynasty's Si Robertson, "There are things you just can't fix. (You) can't fix stupid, can't fix a neutered dog and you can't fix junk!" (Lesson #4)[15] Thus, we have nearly sold out of the position, but plan on keeping a token position that will not impact overall returns. The purpose is to "force" us to keep up with the story in order to sear into our memory the lessons learned.

Cash Levels and Fund Repositioning

The fund's cash levels, excluding short credits, finished December at 22.6%. The higher percentage is in line with our approach of waiting more patiently for excellent opportunities, and is also a reflection of a portion of our position in AIG being purchased via in the money call options. We closed out two minor positions during the month due to their size not being impactful to overall fund results. There were no new positions

[15] And with that I just won a $10 bet with my son that I could seamlessly get a Duck Dynasty reference in my letter.

initiated. We have done some modest rebalancing based on overall attractiveness of current holdings.

Room for New Members and/or Additional Funds

We still have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments must be for a minimum of $10,000.

If this letter was passed on to you and you would like to be added to our monthly distribution list, please email me at the email address below. This will allow you to receive our updates on a regular basis. Should you have any questions regarding the fund, please don't hesitate to call or email.

Sincerely,

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DISCLAIMERS

Fund Performance

The financial performance figures for 2013 presented in this report are un-audited estimates based on the best information available at the time of the letter, and are subject to subsequent revision by the Fund's auditors. Past performance may not be indicative of future results and no representation is made that an investor will or is likely to achieve results similar to those shown. All investments involve risk including the loss of principal.

Net Return reflects the experience of an investor who came into the Fund on inception and did not add to or withdraw from the Fund through the end of the most recently reported period. The reported net return figures will therefore include the impact of high water marks in the cumulative return. Individual investor returns will vary depending upon the timing of their investment, the effects of additions and withdrawals from their capital account, and each individual's high water mark figure, if any.

Index Returns

The S&P500 Index returns are reported using the S&P500 Depository Receipt Trust (SPDR) which trades under the ticker symbol SPY. Reinvested dividends are included in these figures. A spreadsheet showing the SPY performance versus the fund since inception is available upon request.

Nasdaq performance excludes dividends, which historically have been immaterial to the total return of that index. In recent years more technology stocks have begun paying dividends thus the inclusion of dividends would increase the reported figures.

Russell 2000 performance is from data reported on Russell's website, and includes reinvested dividends.

DJIA returns are reported using the SPDR Dow Jones Industrial Average which trades under the ticker symbol DIA. Reinvested dividends are included in these figures. A spreadsheet showing the DIA performance versus the fund since inception is available upon request.

While reported returns for SPY and DIA will likely be a few tenths of a percentage lower than the representative index annually, we believe they are a better reflection of what a non-institutional investor would earn following a passive investment approach.

Index returns are provided as a convenience to the reader only. The Fund's returns are likely to differ substantially from that of any index, and there can be no assurance that the Fund will achieve results that are superior to such indices.

Share Prices

Share price figures for listed stocks are from Yahoo! Finance and unless specified otherwise are the closing price as of the previous month end. Share price figures for unlisted stocks are closing bid prices as reported on otcmarkets.com.

Forward Looking Statements

This letter and the accompanying discussion include forward-looking statements. All statements that are not historical facts are forward-looking statements, including any statements that relate to future market conditions, results, operations, strategies or other future conditions or developments and any statements regarding objectives, opportunities, positioning or prospects. Forward-looking statements are necessarily based upon speculation, expectations, estimates and assumptions that are inherently unreliable and subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements are not a promise or guaranty about future events.