CEDAR CREEK PARTNERS, LLC

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

April 15, 2018

Subject: Cedar Creek Partners 2018 First Quarter Results

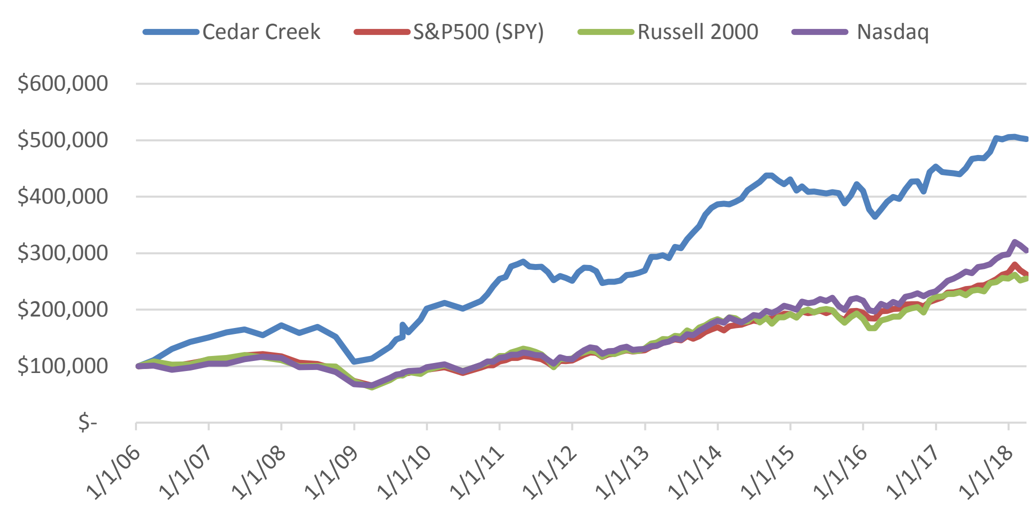
Dear Partner:

Volatility returned with a vengeance to the market in the first quarter of 2018. While results for most indices were slightly negative for the quarter, the ride was far from smooth. The Nasdaq, for example, rose 7.4% in January, fell 1.4% in February, and fell 2.9% in March; and that fails to truly represent the daily and often intra-day volatility. While most of the market felt like riding a crazy roller coaster, the fund felt like a kiddie ride. Monthly returns were 0.1% for January, -0.5% for February, and -0.3% for March, net of fees and expenses. For the quarter the fund declined 0.7%, net of fees and expenses.[1]

	Q1 '18	Inception	Ave. Annual
Cedar Creek	**-0.7%**	**402.1%**	**14.1%**
DJIA (DIA)	-1.9%	195.5%	9.3%
NASDAQ	2.3%	204.8%	9.6%
S&P 500 (SPY)	-0.9%	162.7%	8.2%
Russell 2000	-0.1%	155.0%	8.0%
Russell Micro Cap	0.4%	114.7%	6.5%

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

$100,000 invested in the fund at inception would have grown to $502,132 as of March 31, 2018, whereas $100,000 invested in the indexes we compare against would have only grown to between $214,745 in the Russell Micro Cap and $304,848 in the Nasdaq.



[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 are calculated from information reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

While we noted the lower volatility for the fund in the quarter, it was not by design. We do not attempt to minimize volatility. We look to buy stocks selling below what we think they are worth. Individual stock volatility is largely irrelevant to our decision making. While many do not have the stomach for volatility, it doesn't bother us. In fact, we welcome it. Increased volatility is much more likely to lead to individual security mis-pricings that we can take advantage of.

Cash Levels and Fund Repositioning

The fund's cash level was 6% at the end of the first quarter, essentially unchanged from the start of the year. During the quarter, we closed out two positions, **Retail Holdings** (RHDGF), and **Pendrell Corp** (PCOA). Pendrell completed a reverse spilt and deregistered with the SEC. The stock suffered selling pressure and fell to well below its net cash of $767 per share. We purchased shares at an average of $570 per share and sold approximately a month later at $650. The company is basically a shell corporation with $2.5 billion of NOLs, and $180 million of cash. Craig McCaw, the cell phone pioneer, is the major holder. Retail Holdings was not a major position. The company paid a $9 distribution in January and is in the process of liquidating.

We made two new additions to the fund in the quarter, **Alphabet** (GOOG), and **Data I/O** (DAIO). Data I/O is a position we owned early in 2017. We unfortunately sold too early as the stock ran from $5 to over $16. The business performed well in 2017. Even though we paid more than what we sold it for a year ago, we weren't going to let our past mistake prevent us from buying back at an attractive price. We began buying at $8 per share. The company has $2.24 per share in cash, no debt, and trailing earnings of $0.67 per share. Thus, our purchase price was under nine times earnings, net of cash. I don't know any other tech companies that trade at a single digit P/E, are growing revenues, and are spending nearly 20% of revenues on R&D.

During the volatility of February and March we initiated a modest position in Alphabet (Google). It is very rare for us to pay twenty-five times earnings for a stock, but Alphabet is growing revenues at a 20%+ rate and has a large cash/securities balance of over $150 per share.

Portfolio Overview

In recent letters we provided some statistics to show why we believe the fund's valuation was much more attractive than the general indices. Below is an update as of the end of March 2018. The fund's weighted forward price-to-earnings, or P/E, multiple was less than half of the S&P 500 (9.3 vs. 19.2). Price to book was also under half of the S&P 500 (1.4 vs. 3.1) yet return on equity was similar (16% vs. 16%) even though we believe the fund's holdings have lower debt and a higher level of cash and securities.

	3/31/2018 Cedar Creek	**3/31/2018 S&P 500**
P/E forward	9.3	19.2
P/E net cash	7.9	n/a
weighted P/B	1.4	3.1
weighted ROE	16%	16%
Div. Yield	1.6%	1.9%

Most of the fund's positions are in stocks with single digit price to earnings multiples. Other than Sitestar, all of the stocks that are trading above a single digit P/E have excess cash balances such that their P/E multiples, net of cash, are much lower than what is shown below.

Top Ten Holdings (alphabetically)	Price	EPS est	P/E
Alphabet (Google)	$ 1,031.79	$ 41.60	24.8
Customers Bancorp	$ 29.15	$ 3.05	9.6
Data I/O	$ 7.44	$ 0.66	11.3
DBM Global (Schuff)	$ 47.00	$ 8.66	5.4
Hennessy Advisors	$ 19.30	$ 2.65	7.3
Image Sensing Systems	$ 4.25	$ 0.45	9.4
Orbit International	$ 6.15	$ 0.62	9.9
Sitestar	$ 0.108	$ 0.006	18.0
Solitron Devices	$ 3.35		
Western Capital Resources	$ 3.95	$ 0.25	15.8

Trade Wars

The risk of a trade war has been in the headlines the last few weeks. We think it is important to keep in mind a few statistics.

	in billions	% of US GDP	% of China GDP
United States GDP	19,750		
China GDP	12,000		
US exports to China	130	0.7%	1.1%
US imports from China	505	2.6%	4.2%
Total US exports	2,300	11.6%	
Total US imports	2,900	14.7%	
Total China exports	2,060		17.2%
Total China imports	1,320		11.0%

Overall trade with China is a very small portion of US GDP as exports are 0.7% and imports are 2.6% of GDP. The risk to the economy of a trade war with China is thus quite small. Total exports are about 12% of the economy, while imports are about 15%; however, a worldwide trade war is even less likely. Another factor to keep in mind is the accuracy of data related to "country of origin." For example, iphones are made with components from all over the world, but are assembled in China, therefore under "country of origin" the total cost is attributed to China. The end result is that a country with low labor costs is more likely to have a trade imbalance with the US.

Trade issues are very fascinating and complex. Focusing *just* on the imbalance aspect, the majority sees a negative trade imbalance as the equivalent of giving away our nation's wealth, and we are therefore on a path to financial ruin. On the other end of the spectrum are economists like Milton Friedman who saw it as a huge positive. His view was that if a country wants to dump a product in the US at below cost we should thank them, and that a favorable trade balance is the exact opposite – it is when we import more than we export.

While we are generally skeptical of conventional wisdom, and certainly do not think we are smarter than Milton Friedman, we don't completely buy into either extreme. The concerned group seems focused primarily on currency leaving, and minimizes the value of the goods, while the benefit group is focused on the goods coming in, and minimizes the currency leaving. But when you break it down, individuals (and companies) make economic transactions because they believe they are getting more in return than they are giving up. Therefore, when an individual buys an imported product he or she is a willing participant that is pleased with the exchange. The same is true for the seller/exporter. Equivalent value was exchanged, thus there really is not an imbalance.

Room for New Members and/or Additional Funds

Despite overall market levels, we have more quality ideas than we do capital. Thus, there is 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 $100,000 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
office: 360-393-3019

DISCLAIMERS

Fund Performance

The financial performance figures for 2017 and 2018 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.

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

August 15, 2018

Subject: Cedar Creek Partners 2018 Second Quarter Results

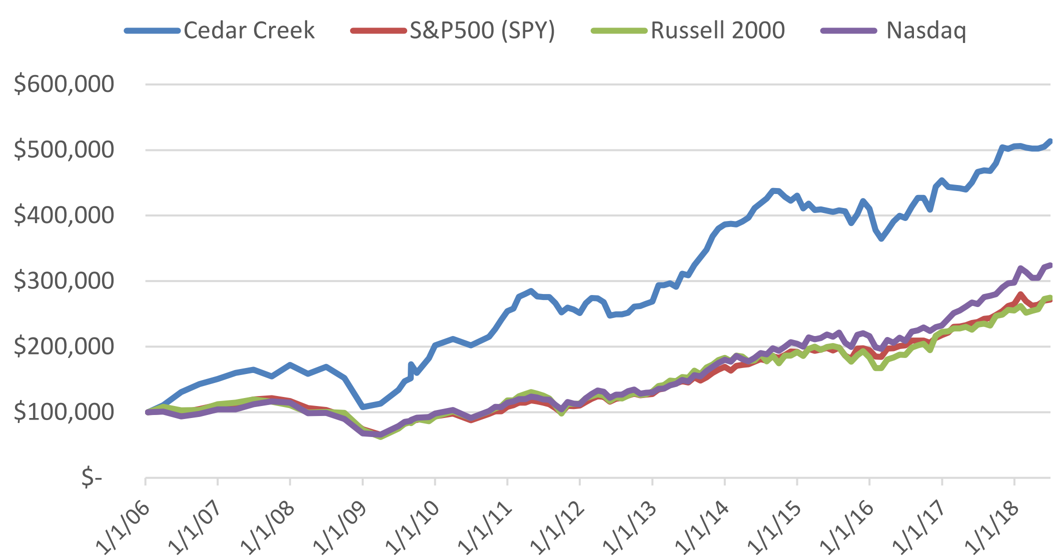
Dear Partner:

All the major indices we tracked performed positively in the second quarter. Technology, as represented by the NASDAQ, continued to perform well. Smaller stock indices such as the Russell 2000 and Russell Micro Cap were also strong. The fund rose 2.2% in the quarter and finished the first half of the year up 1.5%, net of fees and expenses.[1]

	Q2 '18	2018	Inception	Ave. Annual
Cedar Creek	**2.2%**	**1.5%**	**413.4%**	**14.0%**
DJIA (DIA)	0.7%	-1.0%	198.5%	9.2%
NASDAQ	6.3%	8.8%	224.1%	9.9%
S&P 500 (SPY)	3.5%	2.5%	171.8%	8.4%
Russell 2000	7.8%	7.7%	174.7%	8.5%
Russell Micro Cap	10.0%	10.7%	136.2%	7.1%

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

$100,000 invested in the fund at inception would have grown to $513,422 as of June 30, 2018, whereas $100,000 invested in the indexes we compare against would have only grown to between $236,152 in the Russell Micro Cap and $324,133 in the Nasdaq.



[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 are calculated from information reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

Over the last few years, growth stocks have certainly been in vogue. Value investors have found it difficult to match or beat the performance of growth funds, and FANG (Facebook, Apple, Netflix, and Google (Alphabet) stocks, in particular. This is not surprising to us at all. At times value is more in favor and other times growth is. When growth stocks are popular they tend to increase very fast since valuation is of little importance. The more they increase in price the more people feel they must purchase them due to the fear of missing out, which only makes them go up even further. Since we believe 1) it is nearly impossible to guess which style will do better in the immediate future and 2) investing should be based on buying something for less than what the investor thinks it is worth, we are playing the long game. It may be boring to some, and have periods of under-performance; however, in the long run, we believe it to be the more prudent approach.

Cash Levels and Fund Repositioning

The fund's cash level was 6% at the end of the second quarter, essentially unchanged from the start of the year. The fund held no short positions. During the quarter, we closed out two positions, **Alphabet** (GOOG) and **ELXSI Corp.** (ELXS). One was successful, the other was not.

We purchased Alphabet, or Google as they were known, in the first quarter. We noted in our last letter that it is very rare for us to pay twenty-five times earnings for a stock, but Alphabet was growing revenues at a 20%+ rate and had a large cash/securities balance of over $150 per share. After reporting first quarter results we were disappointed in the results and sold for a very small gain. Revenue had grown over 25% which is impressive. What concerned us was the cost side. Operating margins decreased from 26.5% to 22.5%, a significant drop. The market didn't seem to care as the stock ended up rising over ten percent in the quarter.

ELXSI Corp is a company few have heard of. Unlike Google which is in a sexy business, ELXSI manufactures sewer and water pipeline inspection and rehabilitation equipment. They also own a few restaurants. Quite the combination there, we know. You would have to be very creative to see any synergies. What was even worse is that the company had made loans to the CEO and later forgiven the loans. Pretty scummy. Of course, the stock was ridiculously cheap – about five times earnings net of cash. Obviously with that kind of management we were cautious. What made us willing to invest was knowing that a larger fund who was not afraid to resort to legal action when necessary had a large position in the stock. We were comfortable piggy backing on their oversight. We get the benefits without the cost. We purchased shares in 2016 for just under $24 per share. We sold 2/3 of our position a year later for around $35 per share. In April of this year ELXSI agreed to be purchased for $51 per share. We were very pleased with the result.

During the quarter we initiated six new positions. All in very small companies. In total the purchases amounted to just over 6% of the fund's assets. The smallest position is **Rubicon Technology** (RBCN). Rubicon's new CEO is Tim Brog, who was CEO at Peerless Systems, a company the fund did very well investing in several years ago. When we purchased Rubicon it was trading near its cash levels and working hard to sell off most, if not all, of its existing business, equipment, and property. Rubicon is a long-term turnaround play on someone who has done it before.

The largest of the new purchases, even though still rather small overall, is in a very boring business – temporary labor and staffing. **Command Center** (CCNI) has just experienced a change in their board and CEO due to shareholder activism. CCNI trades at nine times earnings, has no debt, and an excellent cash position that can be used for an acquisition, share repurchase, or dividend. The current share price is about $5.80. It has $1.35 per share in cash and cash earnings are much higher than reported earnings due to deferred tax assets. For example, in 2017 their income statement showed $2 million in income taxes, when they actually paid just over $0.5 million. CCNI will use up those tax assets in the next year or so and will then benefit from the new corporate tax rates passed by Congress. The company has been repurchasing shares. In the second quarter CCNI repurchased approximately 2% of their outstanding shares, which we expect to continue.

One of the new positions has fallen by over twenty five percent since we first started nibbling. We are pretty excited about that. Seriously, we really are. When we are building a position, we love to do it an even lower price even if that means are first purchases are in a loss position. In the end, our average cost basis will be lower than if it never declined meaning our potential gains are higher if our analysis is correct. Since we are still actively buying and rooting for a further decline we are not going to mention the name of the company. We will say the company is an alternative asset manager, which in this case means it manages private equity funds and fund of funds.

Room for New Members and/or Additional Funds

Despite overall market levels, we have more quality ideas than we do capital. Thus, there is 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 $100,000 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,

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

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CEDAR CREEK PARTNERS, LLC

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

October 14, 2018

Subject: Cedar Creek Partners 2018 Third Quarter Results

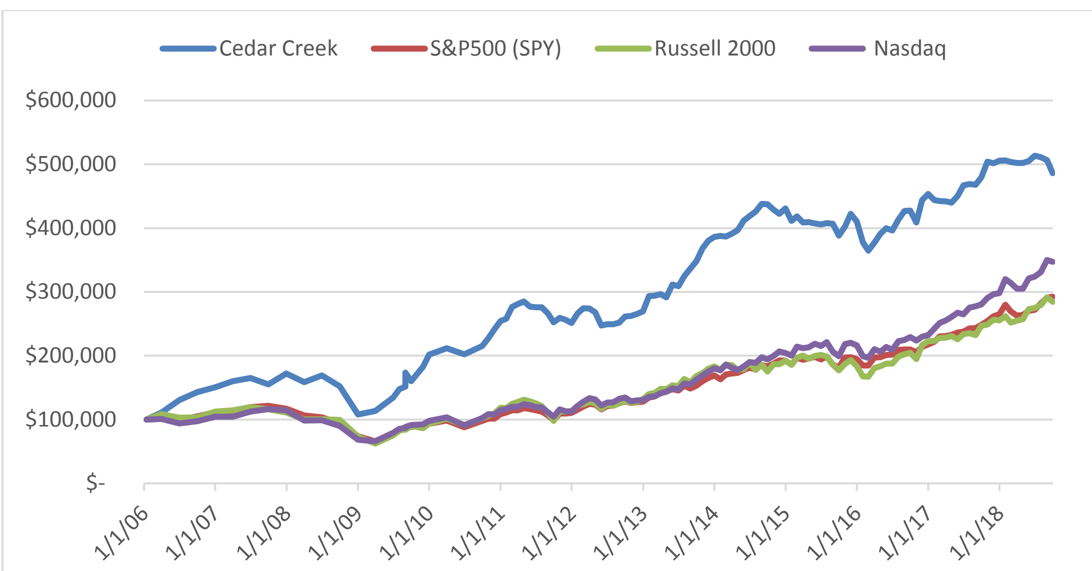
Dear Partner:

All the major indices we tracked performed positively in the third quarter, as large cap and growth stocks performed well, while smaller caps and value (Russell 2000 and Russell Micro Cap) lagged. The fund declined by 5.4% in the quarter and is down 3.9% year to date, net of fees and expenses.[1]

	Q3 '18	2018	Inception	Ave. Annual
Cedar Creek	**-5.4%**	**-3.9%**	**385.9%**	**13.2%**
DJIA (DIA)	9.6%	8.5%	227.0%	9.8%
NASDAQ	7.1%	16.6%	247.3%	10.3%
S&P 500 (SPY)	7.6%	10.3%	192.4%	8.8%
Russell 2000	3.6%	11.5%	184.6%	8.6%
Russell Micro Cap	0.8%	11.6%	138.1%	7.1%

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

$100,000 invested in the fund at inception would have grown to $485,936 as of September 30, 2018, whereas $100,000 invested in the indexes we compare against would have only grown to between $238,121 in the Russell Micro Cap and $347,268 in the Nasdaq.



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Performance contribution on the positive side was primarily from Image Sensing Systems (ISNS) up 20% and DBM Global (DBMG) up 9%. On the negative side was Hennessy Advisors (HNNA) down 20%, Customers Bancorp (CUBI) down 17%, Enterprise Diversified (SYTE) formerly known as Sitestar, down 13%, and Solitron Devices (SODI) also down 13%. It was a tough quarter for financials and asset managers, even though the market indices rose. Market sentiment will ebb and flow. We care more about underlying business performance, which was much better than the market performance during the quarter.

What we noted in our last letter continued to be true in the third quarter – "growth stocks continued to be in vogue." This means it has been a challenging environment for value investors. The only way to have kept up performance wise would have been to either stray from value investing principles or to have found a few highly concentrated investments where the value was subsequently unlocked. The fund did not stray, and our concentrated investments have yet to be unlocked.

As we have said many times over the fund's twelve year history, we do not know which direction the market is headed, and we believe that valuation matters. We don't know if the next 1% move will be up or down, nor the next 10% move. We do know which direction the next 100% move will be. If you think about it, the next 1% is nearly 50/50. The next 10% move depends on current market conditions but is still fairly close to 50/50 with an upside bias. The next 100% move is almost 100% likely to be up, since the market is not going to zero. Even the next 50% move is almost assuredly to be up than down, as there have been very few 50% declines historically. While simple, it is important to keep this perspective in mind so as to stay rational. Basically this is a different way of saying what former Fidelity fund manager Peter Lynch said, "Far more money has been lost by investors preparing for corrections, or trying to anticipate corrections, than has been lost in corrections themselves."

We also don't chase returns. We invest in a business-like manner with long term results in mind. We are playing the long game and am confident over the long run a value approach is the better way to invest. The old axiom is that "trees don't grow to the sky." Growth stocks will not go up forever. Eventually valuation maters. Even as I write this the Nasdaq has fallen nearly 7% in the first twelve days of October, while the fund has declined only 2%, net of fees and expenses. Whether this is just temporary or part of a larger shift from growth to value, only time will tell. Regardless we will stick with what has historically worked best and hope to use the volatility to our advantage.

Cash Levels and Fund Repositioning

The fund's cash level was 4% at the end of the third quarter, a slight decrease from most of the year. The fund held no short positions. During the quarter, we closed out six positions, **First Internet Bancorp** (INBK), **Contura Energy** (CNTE), **PD-Rx Pharmaceuticals** (PDRX), **Image Sensing Systems** (ISNS), **Data I/O** (DAIO), and **Syncora Holdings** (SYCRF). We made money in all but Data I/O.

During the quarter we initiated two new positions. One was very small unlisted stock, **Detroit Legal News** (DTRL), the other was a stock we have owned many times before, **Diamond Hill Investment Group** (DHIL). In total the purchases amounted to just over 5% of the fund's assets, with nearly all of it being in Diamond Hill.

Detroit Legal News is small. It has just 37,755 shares outstanding, with a share price of $375.00 per share, resulting in a market cap of $14 million. The company has two lines of business – Inland Press which sells sheet fed commercial printing to customers in southeast Michigan, and DLNP, a 55% owned subsidiary, which publishes legal newspapers in southern Michigan. Ten years ago, the company was earning $150 to $200 per share each year, and paying similar sized dividends, primarily due to the requirement by the State of Michigan that foreclosure notices, including workout notices be published. A few years ago, the State of Michigan eliminated the publishing requirement for pre-foreclosure or workout notices resulting in annual earnings declining down to around $10 per share. That level of earnings is not remotely attractive in relation to the $360 share price (30x earnings). What makes the company interesting is that it had no debt and $275 per share in cash at the end of 2017, and announced it recently sold a parking lot for a gain of $77 per share. Thus, current cash should be above $350 per share, meaning the company is trading at one times earnings, net of cash. We find that very attractive, especially when we expect a good portion of the gain from the parking lot sale to be paid out as a dividend.

Detroit Legal is a small position in a small company, and won't generate massive returns for the fund, but something is better than nothing and as the saying goes, "the only way to eat an elephant is one bite at a time." In other words, the only way to accomplish something big is to approach it in smaller pieces. In investing the goal is for the pool of capital to generate good returns, whether it is accomplished through a number of small investments or a few large ones doesn't really matter to us. If we can find a large investment, that is great, but if we have to generate returns from a number of smaller investments, that is okay too. We would love to have a handful of companies like Detroit Legal News, and the only way to have a handful is to keep adding when they become available instead of trying to wait until we can purchase a basket of such companies all at once.

The larger new purchase is Diamond Hill Investment Group, a value-based asset manager the fund has owned in the past. Despite growth stocks being more in favor over the last few years, Diamond Hill has continued to increase its assets under management (AuM). As the ten year chart below shows, the company has grown assets five fold over the last decade, and earnings over ten fold. Dividends were higher a few years ago, but are clearly on an increasing trend over the last five years. The lower dividend level has resulted in a build up of cash and investments on the balance sheet. Net cash and investments, which we calculate as cash and investments less the redeemable noncontrolling interest was $66 per share as of June 2018. Using the most conservative approach and deducting all deferred compensation and accrued incentive compensation would still result in $55 per share in net cash.

Year	EPS	Dividend	AuM
2008	$ 1.36	$ 10.00	4,510
2009	$ 4.40	$ 10.00	6,283
2010	$ 4.48	$ 13.00	8,623
2011	$ 4.86	$ 5.00	8,671
2012	$ 5.44	$ 8.00	9,429
2013	$ 6.94	$ 3.00	12,186
2014	$ 9.67	$ 4.00	15,656
2015	$ 11.03	$ 5.00	16,841
2016	$ 13.49	$ 6.00	19,381
2017	$ 14.48	$ 7.00	22,317

AuM in millions.

Current earnings for Diamond Hill are running at $4 per share quarterly, or $16 annualized. The stock price is $170 as we write this, or just over ten times earnings. Net of cash, the stock is trading at under seven times earnings. The expected dividend yield is nearly 5% based on an assumption of an $8 dividend at the end of the year. The company also believes the current share price is attractive as it recently announced a $50 million share repurchase authorization. Since the company has over $200 million of cash and investments and no debt, it can easily accomplish this if there is sufficient liquidity in the shares.

Fund Holdings With a Potential Near Term Catalyst

Earlier in the letter, we noted that the fund had not strayed from value investing principles and that our concentrated investments have yet to be unlocked. We think it would be helpful for us to walk through some of the potential of the fund's holdings that are not market dependent. Aside from a number of holdings that we believe to be trading for well below their intrinsic value, there are a few other holdings where we eventually expect value to be unlocked regardless of market performance. For example, we are participating in an appraisal process related to our position in **Calamos Asset Management**. Calamos management bought out minority holders at $8.25 per share, a price that we think was below fair value. The current trial is scheduled for spring of 2019. We have already been paid the $8.25 per share but believe we have a strong case for more since the price Calamos paid was below the value of the company's assets excluding the business (i.e., cash, loan to the parent company, present value of tax deferred assets, and share of cash at the parent company). In other words, Calamos didn't pay anything for the business, which had operating profits of approximately $16 million annually. A favorable settlement could result in a gain for the partnership of 2-5% with little downside risk.

The funds largest holding is **DBM Global** (DBMG), formerly Schuff International. The stock has performed well for us, even though the catalyst has not occurred. We expected the company's majority owner, HC2, to make good on its intention of buying out shareholders and if the price was not fair, we would pursue appraisal. At the time we made the purchases we thought fair value was closer to 3x our purchase price, and we hoped to realize it within two years. It has now been two years, and the share price is 60% higher and we have received another 16% in dividends. While the 75% plus return to date is terrific, we still believe fair value is more than twice the current price. Multiple legal actions are in process which could result in a positive "liquidity event" in the coming year. If that were to occur, the gains to the fund could potentially be two to three times larger than a positive outcome for the Calamos appraisal. In the meantime, we are content own a stock trading at seven times earnings.

(After the market closed on October 11, DBM Global announced a $135 million acquisition of GrayWolf Industrial. Other than saying the deal was accretive to EBITDA (earnings before interest, taxes, depreciation and amortization) performance, no details were available. This is a very significant acquisition since DBM Global's market capitalization is $200 million. The acquisition is expected to be funded solely via debt. The debt load should not be a problem since DBM alone has $40 million of annual operating earnings, and approximately $57 million of annual EBITDA.)

In addition, we have written in the past about **Customers Bancorp** (CUBI) proposed spin-off/sale of its Bank Mobile division, that should unlock value once investors begin to value the bank based on its core operating earnings. We are also involved at **Solitron Devices** (SODI) where I am the part-time CEO, and there has been a long delay in filing financial statements. We believe time is also our friend in **Western Capital Resources** (WCRS) where the sale of its AlphaGraphics division included $6.5 million of funds in escrow, half of which is due in the fourth quarter of 2018, and the other half in the second quarter of 2019. Since the company only has 9.4 million shares outstanding, that is equal to nearly $0.70 per share in cash. The stock last traded at $3.75 per share and as of June 2018 had $3.73 per share in net cash on hand. Factoring in the expected receipt of the escrow funds shows the stock trading at a discount to its net cash.

Room for New Members and/or Additional Funds

We continue to have more attractive ideas than capital. Thus, there is 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 $100,000 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
office: 360-393-3019

DISCLAIMERS

Fund Performance

The financial performance figures for 2018 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.

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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.

CEDAR CREEK PARTNERS, LLC

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

January 14, 2019

Subject: Cedar Creek Partners 2018 Year End Results

Dear Partner:

The US market experienced one of its largest declines during the fourth quarter of 2018. All the major indices we track declined sharply, with smaller stocks suffering the largest declines. In the fourth quarter the Russell 2000 fell 20% and the Russell Micro Cap fell 22%. Larger caps performed better but still were sharply lower. The Nasdaq fell 18% and the S&P 500 (SPY) fell 13%. Due to being focused on micro caps, and the temporary decline in one of our holdings, the fund experienced similar results as the smaller stock indices. The fund declined by 21% in the quarter and was down 24% on the year, net of fees and expenses.[1]

$100,000 invested in the fund at inception would have grown to $382,695 as of December 31, 2018, whereas $100,000 invested in the indexes we compare against would have only grown to between $185,396 in the Russell Micro Cap and $290,097 in the DJIA.

	Q4 '18	2018	Inception	Ave. Annual
Cedar Creek	**-21.2%**	**-24.3%**	**282.7%**	**10.9%**
DJIA (DIA)	-11.3%	-3.7%	190.1%	8.6%
NASDAQ	-17.5%	-3.9%	186.4%	8.5%
S&P 500 (SPY)	-13.5%	-4.6%	153.0%	7.4%
Russell 2000	-20.2%	-11.0%	127.1%	6.5%
Russell Micro Cap	-22.1%	-13.1%	85.4%	4.9%

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

Large market declines are not uncommon. Sure, there were a number during the Great Depression and we probably all remember the 2008/early 2009 sell off, but there have been many that we soon forget. For example, in the last forty years since the Russell 2000 small cap index was initiated, there have been ten quarterly declines of 15% or more. On average that is one every four years. Eight of the ten largest declines were 20% or more, or one every five years on average. They are common. Much more common than we think. As investors, we need to prepare ourselves mentally for them. We need to remind ourselves what we are going to do when they happen. And, despite their frequency, we need to understand that we cannot accurately predict when they will occur.

The big question and the follow up to it is – What typically happens after a large market decline? And what should I do after it occurs?

[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 are calculated from information reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

We saw a great chart on this in an article on MarketWatch by Ben Carlson. It was released prior to the end of the quarter, so we updated the figures presented in the article. It shows the ten largest declines in the Russell 2000 index, along with where the December 2018 quarter ranks, and subsequent one, three and five-year total returns. Notice the average subsequent returns. Only one out of ten had a negative one-year subsequent return. The three- and five-year returns were also very good, and none were negative.

Ten Worst Quarters Russell 2000 Index Since 1979

	Quarter Ending	Return	1 Year Forward	3 Years Forward	5 Years Forward
1	Dec-87	-29.1%	25.0%	17.0%	102.4%
2	Dec-08	-26.1%	27.2%	54.6%	149.7%
3	Sep-90	-24.5%	45.1%	110.5%	166.6%
4	Sep-11	-21.9%	31.9%	78.3%	108.4%
5	Sep-02	-21.4%	36.5%	91.2%	136.1%
6	Sep-01	-20.8%	-9.3%	47.0%	90.6%
7	Dec-18	-20.2%			
8	Sep-98	-20.1%	19.1%	15.8%	43.3%
9	Sep-81	-17.5%	8.8%	69.7%	126.8%
10	Mar-09	-15.0%	62.8%	104.4%	196.9%
11	Mar-80	-12.8%	72.1%	138.0%	176.3%
	Averages	**-20.9%**	**31.9%**	**72.7%**	**129.7%**

Source: MarketWatch https://www.marketwatch.com/story/heres-how-the-stock-market-has-fared-after-similarly-brutal-losses-in-a-quarter-2018-12-24

So now we know the answer to the big question - What typically happens after a large market decline? Other than during the Great Depression, the market tends to perform very well after a large decline. On average the Russell 2000 has climbed nearly 32% in the following year, and nearly 130% in the following five years. This leads us to the follow up question - What should I do after a large market decline occurs? Unless we are in a serious depression, you want a be a buyer, not a panicked seller. As Warren Buffett has said, “You want to be greedy when others are fearful.”

Fund Performance

You may be saying to yourself, that you can agree with that but that the fund did much worse than the market, and you would be right. The fund did not experience the early gains in 2018. Why was that? Whether it was the primary reason or not, I as the manager have to do better. If a fund manager takes any credit when his (or her) fund does well, then he must also take responsibility when his fund doesn’t do well. In hindsight I was too hesitant. I need to be quicker to sell when I think a holding is fairly valued. I need to be more aggressive when I buy.

The second thing that jumps out was the negative impact from Solitron Devices Inc. Solitron had the largest negative impact on fund results, contributing -8.6%, or 35% of the total decline. The bid price on the stock declined from $4.30 at the end of 2017 to $1.64 at the end of 2018. As you may remember, the fund took an activist position in Solitron in 2015. We placed two members on the Board, myself and David Pointer. In 2016 the CEO retired, I was appointed CEO, and we hired an excellent COO to run the day-to-day operations. We got to work on fixing the many things that were in need of repair. Fixing things has been a slow process, but we believe solid progress has been made. What was unexpected was that Solitron would be delinquent in filing its financial statements for fiscal 2017 due to an audit which is supposed to take seventy-five days still not being finished after twenty-two months. We cannot get into the how's and why's of that now, other than to say that the details will soon be known, and we look forward to it.

One of the goals in investing is to avoid permanent capital loss. That doesn't just happen when a security goes to zero. It also occurs when a security suffers a significant decline in intrinsic value such that intrinsic value is now less than what you paid for the security. Thus, we are more concerned with monitoring our securities for decreases in intrinsic value than decreases in market prices. A decrease in market price without a corresponding decrease in intrinsic value should not produce frustration; it should produce excitement since it is a great opportunity that we should be thankful for. (Admittedly we have still not mastered this ourselves.)

When the fund as a whole or individual securities in the fund experience price declines, we analyze whether the decline is temporary (i.e., market fluctuation) or permanent (i.e., a change in intrinsic value). We ask, "Has something materially changed with the business itself versus just the current market price?" Market prices will fluctuate and at time reflect optimism, and at other times pessimism. Some of that can be related to the stock itself and some to the market in general.

When we look at the fund's holdings, a few of the fund's holdings experienced a challenging year, and intrinsic value declined, such as Enterprise Diversified (SYTE) and Hennessy Advisors (HNNA); but for nearly all the rest, we believe intrinsic value has held up well and it is just market prices that have fallen. Eventually intrinsic value and market price will more closely align. As the chart above showed regarding performance after large sell-offs, we believe it holds true for good managers as well. A period of under-performance will lead to a period of out-performance.

Fund Holdings are at Attractive Prices

Let's look at the fund's specifics. **On the whole, the fund's holdings are trading at under <u>five</u> times earnings net of cash at the respective businesses**. It is the lowest level we can remember, other than possibly March 2009. A handful of the fund's holdings are now selling below the company's cash and securities, meaning the market is not just "giving the business away for free," it is at a negative value, meaning you are "getting paid to own it." For example:

Rubicon Technology (RBCN) finished the year at $7.90 per share, 13% below its cash of $9.09 per share as of its latest report, and 37% below book value. Rubicon still has additional land and property for sale which it hopes to turn into more cash. The CEO did an excellent job at his prior company, Peerless Systems, and has a nice amount of cash to work with at Rubicon. The company announced a share repurchase authorization during the market decline. Hopefully the company was buying during the quarter.

Western Capital Resources (WCRS) a holding company with some profitable businesses finished the year with a bid price of $3.42 per share. As of its most recent report the Company had $3.70 per share in cash and subsequently received another $0.35 per share in cash from escrow proceeds related to the sale of its Alpha Graphics business. An additional $0.35 per share is still in escrow until the fourth quarter of 2019. Book value per share of $6.82 was nearly twice the share price.

Alimco Financial (ALMC) finished the year at a bid price of $8.00 per share. Cash and securities as of its most recent report were $12.01 per share. Book value was $12.67 per share. Management appears solid and has performed well the last few years.

BKF Capital (BKFG) while a very small position, finished the year with a bid price of $11.15 per share, a 25% discount to its cash and securities, one of which is a position in Qualstar (QBAK) which the fund also owns.

Most of the other fund positions are selling at ridiculously low multiples to earnings, for example:

DBM Global (DBMG), formerly Schuff Steel, finished the year with a bid price of $45 per share and has proforma earnings of approximately $9 per share. It has taken on significant debt in a recent acquisition; however, the company could pay it down rapidly should management choose to do so. DBM is the steel fabricator for the new LA stadium for the Los Angeles Rams and Chargers. The company has done many high-profile projects such as Wilshire Grand, Apple corporate headquarters, University of Phoenix Stadium, and multiple casinos in Las Vegas.

Hennessy Advisors (HNNA) experienced significant investor redemptions from its mutual funds during the market decline resulting in assets under management declining by 20% in the December quarter. The share price followed suit declining from $13.85 per share to $10.01 per share. Cash exceeds debt and the company should earn $1.40 per share at current levels, so the stock finished the year trading at just over seven times current annualized earnings.

Orbit International (ORBT) is debt free and trading at just over seven times our estimate of earnings for 2019. Management has done an excellent job of capital allocation the last few years, including aggressively repurchasing its shares.

Diamond Hill Investment Group (DHIL) trades at nine time our 2019 earnings estimate of $16 per share. The company is debt free and has a huge pile of cash and securities. Net of the cash and securities the company is trading for only 6 times earnings. The company announced a share repurchase authorization during the market decline.

Command Center (CCNI) trades for six times our 2019 earnings estimate, and only four times earnings net of cash. The company has been repurchasing shares.

Qualstar (QBAK) finished the year is trading at six times our 2019 earnings estimates, and only three times earnings net of cash. The company announced a share repurchase plan during the market decline.

We think you get the picture. While we prefer that no decline had happened in terms of reporting the fund's performance, we believe the fund has some very attractively priced businesses and are optimistic about the future for the fund.

Cash Levels and Fund Repositioning

The fund's cash level was 14% at the end of the year giving the fund the ability to add to the most attractive stocks we already own or potentially finding something new that has declined in the market sell-off.

The fund held no short positions. During the quarter, we closed out four positions, **Customers Bancorp** (CUBI) for tax loss reasons, **Mind CTI** (MNDO), **Nuvera**

Communications (NUVR), and **Teton Advisors** (TETAA). During the quarter we did not initiate any new positions.

Tax Matters

Despite the down year, we had been selling down most of our position in Enterprise Diversified (Sitestar). We had purchased shares in a private placement in November 2016 at a split-adjusted price of $6.25 per share. In late spring we started reducing our position at around $11 per share and were able to sell a good chunk at around $16.50 prior to the company's announcement in the fourth quarter that it was terminating its real estate asset purchase agreement for rental properties in the Lexington, Kentucky area. Due to the news and mishandling of the press release, the stock sold off sharply to around $10 per share and finished the year at $8.70 per share. The end result is that the fund generated long term capital gains in the year despite its negative performance.

Final tax allocations will be on K-1's which should be available in late March.

Fund's 13th Anniversary

As I write this, I realize that it has been thirteen years since the fund's inception in January 2006. Time flies. I want to say thank you to all of you. I am truly blessed with the best group of investors of any fund I know. You stay the course. You don't flood the fund with additional money after periods of great performance, nor do you panic when the market falls, and start withdrawing funds. It makes my job so much more enjoyable. Once again, thank you, and it has been a pleasure so far, and I hope it will continue to be in the future.

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Sincerely,

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

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