CEDARCAPITAL

INTRODUCTION TO **CEDAR CAPITAL MARKET ADVANTAGE PORTFOLIOS (M/A/P/s)**

Authored by: David Armstrong | Portfolio Manager
A member of the investment team at Cedar Capital, David earned an MBA from the University of Chicago Booth School of Business, and a Bachelor of Arts from Knox College.

Through our experience and grounded in research, Cedar Capital has introduced a series of risk-oriented portfolios which are designed to improve upon traditional portfolio construction using innovative thinking about broad asset class exposure.

Cedar Market Advantage Portfolios – or Cedar M/A/P/s – utilizes cutting edge thinking to help investors navigate market environments across their investment time horizon.

INNOVATIVE THINKING TO IMPROVE TRADITIONAL PORTFOLIOS

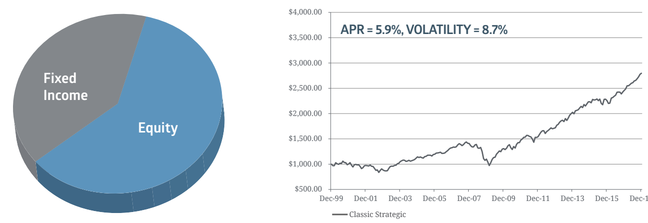
Many investors hold traditional allocations to a combination of equity and fixed income risk. The portfolios target well established strategic benchmarks, and the securities chosen to carry exposure to those benchmarks often have investment mandates to closely track that risk, with perhaps some alpha generation. These traditional portfolios may carry more equity exposure for more risk-tolerant investors, or those with a longer investment time horizon; or they may have a larger allocation to fixed income investments for more conservative investors.

TACTICAL IMPLEMENTATION EXPERTISE

Our Market Advantage Portfolios, or Cedar M/A/P/s, are designed to improve upon traditional portfolios through a two-step evolution. First, we incorporate a blend of tactical allocation strategies. Why? Because when properly implemented, tactical strategies can add a unique dimension of diversification. What is it? It's a diversity of investment methodology. And our research indicates that this diversification can improve both the risk and return when compared to a traditional portfolio.

So far, we haven't added any new asset classes – we've simply been applying some basic ideas to familiar equity and fixed income asset classes.

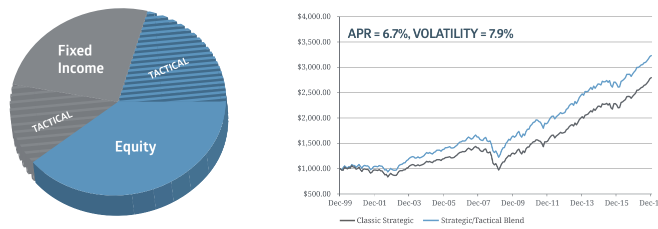
EACH BUILDING BLOCK HAS A ROLE IN PORTFOLIO CONSTRUCTION



1 Start with a traditional fully strategic portfolio

40.00%
60.00%

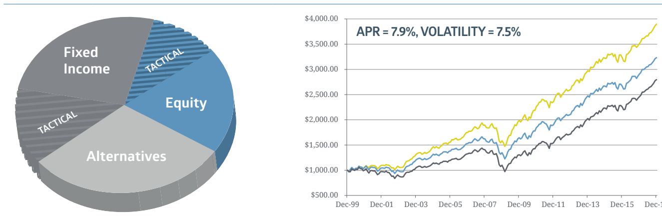
Including tactical management in a portfolio may address some common investing concerns: not having a long enough time horizon to recover from losses; diversification failing when needed the most; desiring, but not being prepared, to make tactical decisions.



2 Add a tactical sleeve and blend STRATEGIC + TACTICAL
(substantiated by internal research)

26.00%
14.00%
39.00%
21.00%

We recommend that investors do not try to chase returns of strategic or tactical strategies, rather, to blend strategic and tactical. When looking to implement tactical strategies into an overall investment portfolio, we suggest an allocation in the 20% to 50% range.



3 ADD an alternative allocation. A liquid version designed to proxy large endowment alternative allocations

26.00%
14.00%
19.50%
10.50%
30.00%

Adding an alternative sleeve to a traditional fixed income and equity portfolio provides an additional dimension of diversification. By properly combining both return enhancers and return diversifiers within the alternative sleeve it may be possible to both improve return and lower volatility, which may result in a better overall portfolio construction.

Data: 31 Dec. 1999 – 31 Dec. 2017. Past performance is no guarantee of future results. See 'Disclosures' for more information.

The second step in the M/A/P/s evolution is to incorporate alternative investments. Why? Because when properly implemented, alternatives add another dimension of portfolio diversification: exposure to non-traditional risk categories.

The result: better historical risk and return characteristics from the portfolio.

RESEARCH DRIVEN: INFORMED DIVERSIFICATION

Many investors seek well-diversified portfolios, but find that implementation is a challenge. Often, they invest in managers who overlap within the portfolio because they invest in similar risks. The result is diminished diversification.

Through our research, Cedar M/A/P/s portfolios incorporate diversification where it can add value, and understand where it does not.

INCORPORATE ENDOWMENT THINKING

Cedar M/A/P/s incorporates endowment thinking. Endowments and foundations commit considerable resources to evaluate non-traditional investments. By understanding the basic construction of their allocations we can attempt to construct well-diversified alternative asset allocation sleeves.

Our view on allocating to alternatives has been guided by the large university endowments. By unpacking the asset allocation we can gain perspective on how to approach this aspect of the portfolio. Why? Data shows that these institutions invest a larger proportion of their portfolios into non-traditional assets. Their results also indicate that they achieve higher rates of return along with less volatility than traditional portfolios, or portfolios which are highly correlated to traditional, strategic benchmarks.

More importantly, thinking about how to allocate to alternatives in a way that diversifies its own inherent risk is important.

PUTTING M/A/P/s TO WORK FOR YOU

The M/A/P/s strategies are available and can be selected based upon an investor's risk preference.

Most investors demand investments that can enhance their returns while reducing their risk. What follows from this is a need to incorporate ideas in a balanced way. Investors can choose the amount of risk they are comfortable with from among a (i) Conservative, (ii) Moderate, and (iii) Growth portfolio.

Each of these has a different volatility range, so investors can choose the level of risk that will fit their risk preferences. For investors who seek asset allocations built upon the exposures of current endowment allocations, the Cedar M/A/P/s Individual Endowment portfolio is available. It carries US and non-US equity and fixed income allocations which approximate the current asset allocation of the large endowments: the allocations to equities, bonds, and alternatives – as well as the sub-asset class allocations within the alternative sleeve.

For Advisors who would simply like to add alternatives to their portfolio, or complement what they may already have, the Cedar M/A/P/s Alternative sleeve is available.

A FLEXIBLE MULTI-ASSET INVESTMENT SOLUTION

Using mutual funds and ETFs, the M/A/P/s strategies have been developed to provide an efficient, cost-effective exposure to the asset classes. Overall, Cedar M/A/P/s may be selected based upon an investor's own risk preference; Conservative, Moderate, or Growth.

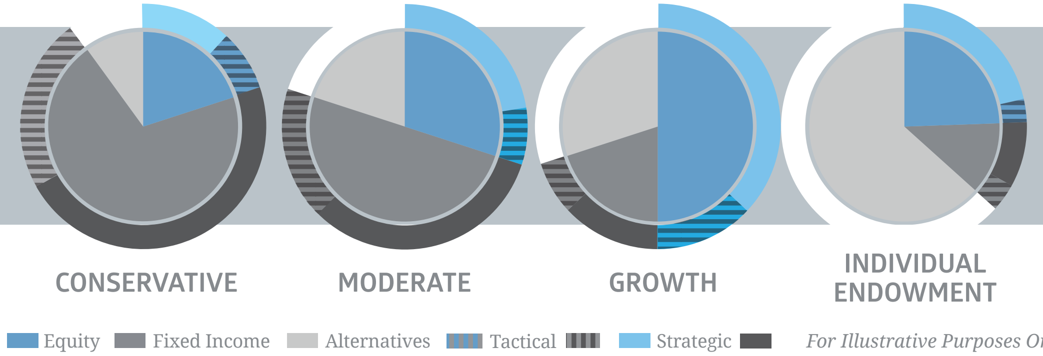
INTELLIGENT MULTI-ASSET APPROACH

Cedar M/A/P/s are an intelligent blend of strategic, tactical, and alternative investments.

Cedar M/A/P/s are also simple to implement. They rebalance periodically, as they adapt dynamically to changing risk conditions inside the funds held within portfolio. The tactical sleeves of the equity and fixed income allocations adjust dynamically as market conditions evolve.

To learn more, come talk with us at Cedar Capital.

855.689.7760 | info@cedarcapital.com | cedarcapital.com
330 E. Main Street | 3rd Floor | Barrington, Illinois 60010



For Illustrative Purposes Only

DISCLOSURES

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All investment strategies have the potential for profit or loss. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment strategy will either be suitable or profitable for a client's investment portfolio. There is no guarantee that any investment strategy, including the use of tactical or alternative investments, will achieve its objectives, generate profits, or avoid losses.

The Cedar Market Advantage Portfolios ("Cedar MAPs") are subject to specific risks. Cedar MAPs are subject to management risk and an investor's return and principal value of investment may fluctuate such that an investment, when liquidated, may be worth more or less than the original investment. Cedar MAPs invest primarily in mutual funds or exchange traded funds (ETFs), which are subject to investment advisory and other expenses. There are numerous risks associated with investing in the underlying mutual funds and ETFs which should be considered prior to investing.

Cedar MAPs invest in equity, fixed income, and liquid alternative investments (as classified by Cedar Capital). The more aggressive the Cedar MAPs selected, the more likely the strategy will contain larger percentages of riskier asset classes. Diversification does not guarantee a profit or eliminate the risk of loss. Equity investments are subject to overall market risk and volatility. Fixed income investments are subject to issuer credit risks and the effects of interest rate fluctuations. Alternative investments typically hold more non-traditional investments and may employ more complex trading strategies including leverage through the use of derivatives. Investors considering alternative investments should carefully consider their unique characteristics and additional risks. Tactical investment strategies may result in the portfolios being more concentrated in a specific asset class, which could reduce overall return if these asset classes underperform.

Alternative investment products involve a high degree of risk. Alternative investment performance can be volatile and an investor could lose a substantial portion of their investment. Past performance is not a guarantee of future results. As with any investment, there is a potential for profit as well as the possibility of loss. Actual results could differ materially from those anticipated. Past performance is no guarantee of future results.

Portfolio Construction (Page 1)
Strategic Equity is represented by the S&P 1500 TR Index. Strategic Fixed Income is represented by the Barclays US Aggregate Bond TR Index. Tactical Equity is represented by the Tactical US Equity Dataset. Tactical Fixed Income is represented by the Tactical US Fixed Income Dataset. Alternatives are represented by: 5% Thomson Reuters Venture Capital Index, 5% Thomson Reuters Private Equity Buyout Index, 10% Credit Suisse Global Macro Index, 5% S&P North American Natural Resources TR Index, and 5% Dow Jones Equity REIT TR Index. The Tactical Datasets were created by Cedar Capital utilizing the Morningstar ETF Strategist Database of tactical separately managed account strategies. It is not possible to invest directly in an index. Indexes are unmanaged and do not reflect the deduction of fees or other expenses.

APR (Annual Percentage Rate) *is the annual rate that is achieved by an investment over a period of time.*

Standard Deviation *is a measure of the dispersion of returns; a large dispersion shows higher volatility.*

Volatility *is a statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index. Commonly, the higher the volatility, the riskier the security.*

330 East Main Street, 3rd Floor | Barrington, Illinois 60010 | 855.689.7760 | cedarcapital.com