

CEDAR FUND, L.P.

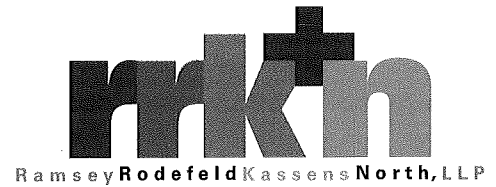
Financial Statements
Years Ended December 31, 2010 and 2009

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CEDAR FUND, L.P.

Table of Contents

	Page
Independent Auditors' Report	1
Financial Statements	
Statements of assets and liabilities	2
Schedule of investments	3 - 4
Statements of operations	5
Statements of changes in net assets	6
Notes to financial statements	7 - 9



Independent Auditors' Report

General and Limited Partners
Cedar Fund, L.P.
Richmond, Indiana

We have audited the accompanying statements of assets and liabilities and schedule of investments of Cedar Fund, L.P. as of December 31, 2010 and 2009, and the related statements of operations and changes in net assets for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cedar Fund, L.P. as of December 31, 2010 and 2009, and the results of its operations and changes in its net assets for the years then ended in conformity with auditing standards generally accepted in the United States of America.

Ramsey, Rodefeld, Kassens & North, LLP

March 28, 2011

CEDAR FUND, L.P.
Statements of Assets and Liabilities

December 31	2010	2009
Assets		
Investments - at market value (cost - \$16,079,330 and \$15,340,599)	\$ 25,504,672	\$ 22,031,309
Cash and cash equivalents	129,494	713,899
Dividends and interest receivable	1	10
	<u>25,634,167</u>	<u>22,745,218</u>
Liabilities		
Accrued professional fees	5,200	5,000
Investment advisory fees payable	42,023	37,941
Accrued bank custodial fees	1,923	1,724
	<u>49,146</u>	<u>44,665</u>
Net Assets	<u>\$ 25,585,021</u>	<u>\$ 22,700,553</u>
Net assets applicable to general partner	\$ 109,334	\$ 156,892
Net assets applicable to limited partners	<u>25,475,687</u>	<u>22,543,661</u>
	<u>\$ 25,585,021</u>	<u>\$ 22,700,553</u>
Limited partners-units outstanding	<u>10,030.0526</u>	<u>10,148.4585</u>
Limited partners-net asset value per unit	<u>\$ 2,539.9356</u>	<u>\$ 2,221.3877</u>

See notes to financial statements.

CEDAR FUND, L.P.
Schedule of Investments

December 31, 2010	Number of Shares/Units	Cost	Value	Percent of Total Value
Common Stock				
Berkshire Hathaway, Inc. - Class A	60	\$ 833,998	\$ 7,227,000	28.3
Mutual Funds				
Fairholme Fund	41,050.396	1,150,960	1,460,573	5.8
First Eagle Global Fund - Class I	55,806.220	2,485,081	2,595,547	10.2
FPA Capital Fund, Inc.	42,137.541	1,359,819	1,736,067	6.8
FPA Crescent Portfolio	58,869.127	1,383,490	1,577,104	6.2
IVA Worldwide Fund-Class I	71,351.645	869,506	1,192,999	4.7
Longleaf Small Cap Fund	39,472.047	976,170	1,046,799	4.1
Tilson Dividend Value	57,874.502	690,419	771,467	3.0
Tweedy Browne Global Value Fund	41,076.642	705,553	978,446	3.8
		<u>9,620,998</u>	<u>11,359,002</u>	<u>44.6</u>
Limited Partnership				
Harfam Partners	926.4318	5,624,334	6,918,670	27.1
		<u>\$ 16,079,330</u>	<u>\$ 25,504,672</u>	<u>100.0</u>

See notes to financial statements.

CEDAR FUND, L.P.
Schedule of Investments (continued)

December 31, 2009	Number of Shares/Units	Cost	Value	Percent of Total Value
Common Stock				
Berkshire Hathaway, Inc. - Class A	60	\$ 799,551	\$ 5,952,000	27.0
Mutual Funds				
Fairholme Fund	38,686.753	1,069,931	1,164,084	5.3
First Eagle Global Fund - Class I	55,806.220	2,485,425	2,238,387	10.2
FPA Capital Fund, Inc.	42,137.541	1,359,703	1,397,281	6.3
FPA Crescent Portfolio	56,715.375	1,328,267	1,407,676	6.4
IVA Worldwide Fund-Class I	69,172.523	832,937	1,014,761	4.6
Longleaf Small Cap Fund	39,310.095	971,889	855,781	3.9
Tweedy Browne Global Value Fund	40,550.607	692,486	859,673	3.9
Wintergreen Fund	55,707.680	758,225	644,538	2.9
		<u>9,498,863</u>	<u>9,582,181</u>	<u>43.5</u>
Limited Partnership				
Harfam Partners	926.4318	5,042,185	6,497,128	29.5
		<u>\$ 15,340,599</u>	<u>\$ 22,031,309</u>	<u>100.0</u>

See notes to financial statements.

CEDAR FUND, L.P.
Statements of Operations

Year Ended December 31	2010	2009
Investment Income (loss)		
Income		
Ordinary and mutual fund capital gain dividends	\$ 241,237	\$ 111,454
Interest income	59	890
Partnership net investment income (loss)	<u>578,332</u>	<u>(757,298)</u>
Total income (loss)	<u>819,628</u>	<u>(644,954)</u>
Expenses		
Investment advisory fees	243,316	208,366
Custodial fees	21,315	17,290
Accounting and auditing fees	5,400	5,100
Total expenses	<u>270,031</u>	<u>230,756</u>
Net investment income (loss)	<u>549,597</u>	<u>(875,710)</u>
Realized Gain and Unrealized Appreciation on Investments		
Realized gain on security transactions		
Sales proceeds	678,519	492,681
Cost	<u>758,061</u>	<u>67,433</u>
Realized gain (loss)	<u>(79,542)</u>	425,248
Unrealized appreciation on investments during the year	<u>2,734,632</u>	<u>2,665,081</u>
Net realized gain and unrealized appreciation on investments	<u>2,655,090</u>	<u>3,090,329</u>
Increase in Net Assets From Operations	<u><u>\$ 3,204,687</u></u>	<u><u>\$ 2,214,619</u></u>

See notes to financial statements.

CEDAR FUND, L.P.
Statements of Changes in Net Assets

<u>Year Ended December 31</u>	<u>2010</u>	<u>2009</u>
Increase in Net Assets		
From operations:		
Net investment income (loss)	\$ 549,597	\$ (875,710)
Realized gain (loss) from security transactions	(79,542)	425,248
Unrealized appreciation on investments	<u>2,734,632</u>	<u>2,665,081</u>
Net increase from operations	<u>3,204,687</u>	<u>2,214,619</u>
From partner transactions		
Capital contributions by limited partners (units - 120.7232 and 1,414.9668)	219,330	2,819,031
Capital withdrawals by limited partners (units - 239.1291 and 1,262.8824)	(459,549)	(2,488,820)
Capital withdrawals by general partner	<u>(80,000)</u>	<u> </u>
Net increase (decrease) from partner transactions	<u>(320,219)</u>	<u>330,211</u>
Increase in Net Assets	2,884,468	2,544,830
Net Assets, Beginning of Year	<u>22,700,553</u>	<u>20,155,723</u>
Net Assets, End of Year	<u>\$ 25,585,021</u>	<u>\$ 22,700,553</u>

See notes to financial statements.

CEDAR FUND, L.P.

Notes to Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Cedar Fund, L.P. is an Indiana limited partnership formed on July 1, 1988. The purpose of the Partnership is to seek long-term capital growth by investing its assets primarily in common stocks and other equity-type securities. The general partner of Cedar Fund, L.P. is Harris Harper Counsel, Inc. During 2010, there were 62 limited partners in the Partnership. The liability of each limited partner is limited to the value of his/her units of ownership.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments are carried at fair value. Fair value is the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For securities with observable market quotations, the Partnership will value these investments based upon current market quotations or pricing sources. In the absence of observable market quotations, investments are valued by procedures adopted by the General Partner. The General Partner utilizes data from a variety of sources, taking into account the characteristics of the security, any changes in the credit quality of the securities in the portfolio, the overall movement of interest rates, current market conditions and other factors, which in the General Partner's good faith and judgment are relevant to the value of the security. Because of the inherent uncertainty of valuation, the fair values estimated by the General Partner may not necessarily represent amounts that could be realized from sales or dispositions of investments, and the differences may be material.

Securities traded on a national securities exchange are valued at the last sale price on the last business day of the year. Mutual funds are valued at their net asset value on the last business day of the year. A limited partnership investment is valued at its net asset value on the last day of the year. Investment transactions are accounted for on the trade date. The net realized gain or loss on security transactions is determined, for accounting and tax purposes, on the specific-identification basis.

Investment Income

The Partnership follows industry practice and records security transactions on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Investment Expenses

Investment expenses are recorded on the accrual basis.

Income Tax Status

The Partnership is not subject to federal or state income tax. The partners must include their proportionate share of the Partnership's taxable income in their personal income tax returns, whether or not it is distributed to them.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash deposits in money market accounts. At December 31, 2010 and 2009, the Partnership's cash accounts were not covered by federal insurance.

Date of Management's Review

Management has evaluated subsequent events through March 28, 2011, the date on which the financial statements were available to be issued.

CEDAR FUND, L.P.
Notes to Financial Statements

Note 2 - Investment Advisory Agreement

Pursuant to an investment advisory agreement, the Partnership has retained its general partner, Harris Harper Counsel, Inc., as its primary investment advisor. Harris Harper Counsel, Inc. provides investment advice, administrative services and facilities in return for an annual management fee of 1% of the Partnership's average monthly net asset values. The investment advisory fees paid to Harris Harper Counsel, Inc. were \$243,316 and \$208,366 for the years ended December 31, 2010 and 2009.

Note 3 - Investments

Investments consist of the following:

December 31	2010		2009	
	Cost	Fair Value	Cost	Fair Value
Common stock	\$ 833,998	\$ 7,227,000	\$ 799,551	\$ 5,952,000
Mutual Funds	9,620,998	11,359,002	9,498,863	9,582,181
Limited partnership	5,624,334	6,918,670	5,042,185	6,497,128
	<u>\$ 16,079,330</u>	<u>\$ 25,504,672</u>	<u>\$ 15,340,599</u>	<u>\$ 22,031,309</u>

The Partnership follows guidance which requires enhanced disclosures about investments that are measured and reported at fair value. This guidance establishes a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level I Measurements) and the lowest priority to unobservable pricing inputs (Level III Measurements). The three levels of the fair value hierarchy are described below:

- Level I- Valuations are based on unadjusted, quoted prices in active markets for identical, unrestricted assets or liabilities;
- Level II- Valuations are based on quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active;
- Level III- Prices or valuations that are unobservable and where there is little, if any, market activity for the investments. The inputs into the determination of fair value inputs for these investments require significant judgment or estimation.

Fair value measurements are as follows:

	December 31, 2010			
	Level I	Level II	Level II	Total
Common stock	\$ 7,227,000			\$ 7,227,000
Mutual Funds	11,359,002			11,359,002
Limited partnership		\$ 6,918,670		6,918,670
	<u>\$ 18,586,002</u>	<u>\$ 6,918,670</u>	<u>\$ -</u>	<u>\$ 25,504,672</u>

	December 31, 2009			
	Level I	Level II	Level II	Total
Common stock	\$ 5,952,000			\$ 5,952,000
Mutual Funds	9,582,181			9,582,181
Limited partnership		\$ 6,497,128		6,497,128
	<u>\$ 15,534,181</u>	<u>\$ 6,497,128</u>	<u>\$ -</u>	<u>\$ 22,031,309</u>

CEDAR FUND, L.P.
Notes to Financial Statements

Note 4 - Investment in Harfam Partners

The Partnership has an investment in Harfam Partners, an Indiana limited partnership. Harfam Partners owns a diversified portfolio of securities, including common stocks and mutual and hedge funds that hold primarily common stocks. The Partnership's investment was valued at \$6,918,670 and \$6,497,128 on December 31, 2010 and 2009. Its investment represented a 55% and 54% ownership interest in Harfam Partners at December 31, 2010 and 2009, respectively. The stockholders of Harris Harper Counsel, Inc., the general partner and investment advisor of Cedar Fund, L.P., are general partners in Harfam Partners. The Partnership's investment in Harfam Partners represented approximately 27% and 30% of total investment assets at December 31, 2010 and 2009, respectively.

Note 5 - Major Investment

The Partnership had 28% and 27% of its total investment assets in one common stock as of December 31, 2010 and 2009, respectively.