GATOR
CAPITAL MANAGEMENT

November 6, 2012

Dear Investors:

This is Gator Financial Partners, LLC's (the "Fund") 3rd Quarter 2012 investor letter. The Fund had mildly disappointing performance in the strong market environment of the 3rd Quarter. In this letter, I will review the Fund's investment performance during the quarter, disclose a new holding, and update the Fund's current net exposure and positioning by sub-sector.

Review of Third Quarter Performance

Gator Financial Partners had mildly disappointing investment performance in the 3rd Quarter with a gain of 2.75%. The overall market and the Financials sector had strong performances during the quarter. There were two offsetting drivers of the Fund's performance during the quarter: 1) several individual picks such as Kinder Morgan warrants were strong during the quarter, but 2) GSE preferred stocks dropped sharply in August after the Treasury Department changed the dividend rate on the senior preferred stock from 10% to all of the profits that the GSEs themselves generate.

	2012 Q3	2012 YTD	Total Return Since Inception	Annualized Return Since Inception
Gator Financial Partners, LLC	2.75%	19.62%	276.52%	36.61%
S&P 500 Total Return Index[1]	6.35%	16.44%	23.75%	5.14%
SPDR Financial Select Sector ETF	6.94%	21.37%	-13.66%	-3.46%

The Fund's inception date was July 1, 2008. Past performance is not indicative of future results. Performance is presented net of fees and expenses. Please see Appendix A for additional disclaimers.

Genworth Investment Thesis[2]

[1] The market index shown has been selected for purposes of comparing the performance of an investment in the Gator Financial Partners, LLC with certain well-known equity benchmarks. The statistical data regarding the indices has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The indices are not subject to any of the fees or expenses to which the funds are subject and may involve significantly less risk than Gator Financial Partners, LLC (the "Fund"). The Fund is not restricted to investing in those securities which comprise this index, its performance may or may not correlate to this index and it should not be considered a proxy for this index. The S&P 500 Total Return Index is a market cap weighted index of 500 widely held stocks often used as a proxy for the overall U.S. equity market. An investment cannot be made directly in an index. The Financial Select Sector SPDR® Fund (XLF) is an exchanged traded fund designed to track the financial stocks in the S&P 500 Index. Gator Financial Partners, LLC consists of securities which vary significantly from those in the benchmark indexes listed above. Accordingly, comparing results shown to those of such indexes may be of limited use.

[2] This report includes forward-looking statements about Genworth Financial. To the extent that statements in this report do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of Gator Financial Partners in light of the

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Over the summer, I built a position in the shares of Genworth Financial. Genworth is a life insurance company spun-off in 2004 by General Electric. Genworth also has a significant presence in mortgage insurance in the U.S., Australia and Canada. I perceive Genworth's stock as having two main issues 1) investors dislike the mortgage insurance business and 2) the company has an underperforming Long-Term Care ("LTC") Insurance business. I believe the company's U.S. Mortgage Insurance business is in the midst of a turnaround, and management is taking the appropriate steps to reduce risk in the Long-Term Care Insurance Business. In addition to the nascent business turnaround, Genworth's shares trade an extraordinary low valuation.

1. Genworth's U.S. Mortgage Insurance is an unappreciated turnaround story –
    a. Housing market is turning the corner - Home prices are up year-over-year according to both Case-Shiller and the FHFA indices. The months' supply of inventory of existing homes available for sale is at the lowest level since 2006[3]. Home mortgages delinquency rates continue to decline[4]. Since 2008, new mortgages are being underwritten to higher standards as demonstrated by improved cumulative foreclosure rates[5]. This turn in the housing market helps Genworth U.S. Mortgage Insurance business.
    b. New business is very profitable – With the stronger underwriting of mortgages, the new business the MI's are putting on their books is very profitable. In an investor call in February, a Genworth executive said new mortgage insurance contracts had a projected return on capital of 30%. The high profitability of new business is helping to turn around Genworth's business.
    c. New business volume is increasing – Genworth has had increasing new business volumes in recent quarters. Since the financial crisis, new business volumes have been disappointing for the entire mortgage insurance industry as most loans have gone to the FHA for insurance. The FHA has stated their goal to reduce their volume, and have raised prices to accomplish this goal. We are seeing more new business go to the private MI industry. I expect these higher new business volumes to continue.
    d. The profitability of new business could recapitalize Genworth's U.S. Mortgage Insurance segment – This segment is currently at the limit of its regulatory capital requirements. If it doesn't become profitable in the next 12-18 months, Genworth could be required to inject additional capital into the unit. The high profitability of new business will help to rebuild the unit's capital.
    e. Calls to spin-off the U.S. Mortgage Insurance business are misguided – At least one investor has claimed to have approached Genworth's Management and Board of Directors to "educate" them on the value of spinning off the U.S. Mortgage Insurance

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information currently available to it; they involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the actual results, performance, achievements or financial position of Genworth to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Gator Financial Partners undertakes no obligation to publicly update any forward-looking statements after the date of this report.

[3] http://www.calculatedriskblog.com/2012/09/existing-home-sales-in-august-482.html
[4] http://www.fanniemae.com/resources/file/ir/pdf/monthly-summary/083112.pdf Page 2, Table 9.
[5] http://www.freddiemac.com/investors/er/pdf/supplement_2q12.pdf Page 27.

unit[6]. While spinning off the U.S. Mortgage Insurance unit may cause a short-term rise in the stock price, I believe it is the wrong thing for Genworth to do from the perspective of a long-term investor. First, attempting to spin-off the Mortgage Insurance business would be a huge management distraction. The company's insurance regulators would make a spin-off difficult because their duty is to protect policyholders. Regulators would likely see that policyholders would be worse off because they would have less access to capital after a spin-off. Second, the U.S. Mortgage Insurance business is in the midst of a turnaround. New mortgage insurance business is profitable. Lastly, there are new entrants into the mortgage insurance industry, which signals that now is the time to enter the mortgage insurance business, not exit it.

2. Management is taking action to stabilize the Long-Term Care ("LTC") Insurance business
    a. Increasing Pricing on Older Blocks of Business– Long-Term Care Insurance is a tough business, and Genworth has its share of challenges in the business. The good news is Genworth has taken dramatic action by raising pricing on existing business and changing benefits for new business. I believe this rationalizes this business segment and puts it on a path to greater stability.
    b. Reducing benefits on New Policies – Genworth has reduced the risk profile of new LTC policies. The main change has been an elimination of unlimited lifetime benefits. Going forward, each policy will have a benefit cap.
    c. Competitors are exiting the business – So far this year, Prudential and Unum have exited the LTC business. They followed MetLife which exited the business in 2010. These exits will reduce competition and make it easier for Genworth to price new policies appropriately.
3. Opportunity for New CEO – I believe the CEO change is a significant signal of corporate change at Genworth. Genworth had too much business complexity. The new CEO will have an opportunity to make sure each product and business line at Genworth is able to stand on its own.
4. Ongoing strategic review – Genworth has implemented several strategic actions over the past few years: 1) placed variable annuities in run-off, 2) sold 40% of Canadian mortgage insurance units in an IPO, 3) sold Medicare Supplement business, 4) sold a Tax and Accounting Financial Advisor Business, 5) planned IPO of Australian mortgage insurance unit, and 6) put its Wealth Management business unit up for sale[7]. Even with these actions, Genworth is too complex and has too many business lines earning a mediocre ROE. There is opportunity to further rationalize Genworth businesses by raising prices in the basic insurance products like annuities and universal life. Shrinking these businesses will also free up capital.
5. I don't see a need for Genworth to raise equity capital: there is the possibility of selling a stake in the Australian MI business in 2013 which could raise as much as $800 million; the company is in the process of selling its Wealth Management business which could raise close to $500 million; and the company generates capital as various insurance units shrink after being placed into runoff.
6. Management is showing they are trying to help shareholders -
    a. Publicly acknowledged low stock price – Genworth's interim CEO Marty Klein has repeatedly remarked about the low valuation of Genworth's stock price. For obvious

[6] http://www.sumzero.com/pro/research/6070
[7] http://www.reuters.com/article/2012/10/12/us-genworth-sales-idUSBRE89B13L20121012

reasons, CEOs don't usually discuss their company's stock prices. The bluntness of his statements leads me to believe he will take action that is shareholder friendly[8].

   b. Stated he won't defend the credit rating at the expense of shareholders – Mr. Klein recently sided with shareholders in comments regarding a potential credit rating downgrade by Moody's. It appears as if Moody's wants a separation of the U.S. Mortgage Insurance business from the rest of Genworth to prevent additional lost capital. In order to accomplishing a separation, Genworth would have had to inject additional capital into the mortgage insurance business. The amount required would probably be higher than Genworth's own projected losses from this business. A ratings downgrade at this point wouldn't hurt the company much because the company is probably better off not putting on new business.

7. Low valuation
   a. Price-to-Book – At $6.00 per share, Genworth trades at about 30% of tangible book value.
   b. Price-to-Earnings – At $6.00, Genworth trades at about 5x 2013 estimated earnings per share.
   c. Genworth's bonds are not predicting a liquidity crisis – Earlier this year, Genworth issued 10-year notes. This issue is currently trading above par and does not signal an impending liquidity crisis at the company.

Risks with an investment in Genworth

1. Australian housing market could experience price declines – Australian home prices seem high, especially when compared with rental prices. Also, the Australian economy is heavily dependent on commodity prices. It is possible Genworth's Australian unit could experience significant losses if the Australian housing market declines.
2. Long-Term Care Insurance rate increases could be denied – Genworth has been implementing significant price increases in its Long-Term Care insurance business. With any price increases, there is a risk that the insurance regulator will disallow them.
3. Long-Term Care Insurance is a long-tail line with a relative short history – Long-Term Care Insurance policies can be on the books for many decades, and there is not a rich history of claims data upon which to base pricing.
4. Low Interest Rates are a Headwind – Genworth owns a significant bond portfolio. Lower interest rates hurt Genworth's profitability.
5. Board could make a mistake with permanent CEO selection – Genworth's Board still has not made a permanent CEO selection. The former CEO left in May of this year and the CFO, Marty Klein, has been the Interim CEO. I believe it would be helpful for the Board to name Klein as the permanent CEO. If they don't, the company could suffer a setback in its potential turnaround.
6. Unlikely to be acquired – There is not a logical acquirer for both of Genworth's main businesses: Long-Term Care Insurance and Mortgage Insurance.
7. U.S. Mortgage Insurance regulators could curtail new business writings – Due to waivers from state insurance regulators, Genworth's U.S. Mortgage Insurance is still writing business in 45 states even though its main mortgage insurance unit has exceeded the required capital ratios of 25-to-1. Genworth has capitalized a second subsidiary to write new business in 4 of the states

[8] http://www.virginiabusiness.com/index.php/news/article/change-afoot-at-genworth

where it doesn't have a waiver. The GSEs have granted an extension to write new business in this second subsidiary through the end of 2013.

8. Limited prospects for share repurchases near-term – Genworth's management needs to deliver the holding company in the near-term which may limit or prevent any share repurchases in the near-term.

Overall, I am hopeful about the Fund's position in Genworth. Genworth has two complex businesses and difficult to understand financial statements. However, the low valuation gives us room for error, and I see several actions (housing market turn, attempts at stabilizing the LTC business, and a new CEO) underneath the surface that reflects positive changes in the business.

Portfolio Analysis

Below are the Fund's largest common equity long and short positions. All data is as of September 30, 2012.

Largest Common Equity Positions

Long	Short
Kinder Morgan	People's United Financial
Virtus Investment	CME Group
KKR & Co.	Financial Engines
Community Bankers	Capitol Federal Financial
Rouse	Commerce Bancshares

From this list, I exclude ETFs and fixed income instruments such as preferred stock.

Sub-sector Weightings

Below is a table showing the Fund's positioning within the Financials sector as of September 30th:

	Long	Short	Net
Alt Asset Managers	16.5%	0.0%	16.5%
Asset Managers	6.9%	-3.1%	3.8%
Banks (large)	22.6%	-16.0%	6.5%
Banks (small)	20.8%	-11.1%	9.7%
Broker-Dealers	9.3%	-2.4%	7.0%
Exchanges	0.0%	-2.9%	-2.9%
Life Insurance	6.8%	-1.0%	5.8%
Non-Bank Lenders	2.6%	-0.5%	2.2%
P&C Insurance	3.2%	-1.0%	2.1%
Processors	0.0%	-3.0%	-3.0%
Real Estate	3.9%	-1.7%	2.2%
Index Hedges	0.0%	-29.1%	-29.1%
Non-Financials	0.4%	0.0%	0.4%
Total	93.0%	-71.7%	21.3%

The Fund's gross common exposure is 165% and its net exposure is 21%. Eighty-nine percent of the Fund's positions are in finance-related companies. The non-finance related positions are the Kinder Morgan warrant position and the positions in NRGY and TRGP which are included in the Alternative Asset Manager sub-sector in the table above. Also, the Fund owns rights issued by both Sears Hometown and Liberty Ventures which are included in the Non-Financial category. From this table, I exclude fixed income instruments such as preferred stock. Preferred stock positions account for an additional 11% of the portfolio.

Distribution Platform

In early October, the Fund was approved for custody at Fidelity Investments. This means you can invest in the Fund through your personal brokerage account at Fidelity. To make an investment in the Fund through your Fidelity account, please call your personal Fidelity representative to start the process. Fidelity has assigned the Fund an internal CUSIP of 368996419.

Organizational Changes

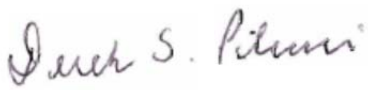
There were no significant organizational changes in the 3rd Quarter.

Conclusion

In the 3rd quarter, the Fund's performance was mildly disappointing in a strong market environment. I am looking forward to the last quarter of 2012. Thank you for entrusting me with a portion of your wealth. I remain the Fund's largest investor with significantly more than 50% of my liquid net worth invested in the Fund.

As always, I am available by phone whenever you want to discuss the Fund or investing in general.

Sincerely,



Derek S. Pilecki
Managing Member of Gator Capital Management, LLC, which is the
Managing Member of Gator Financial Partners, LLC

Appendix A

Additional Disclaimers and Notes to Performance Results

The performance results shown on the first page of this letter are presented on a net-of-fees basis and reflect the deduction of, among other things: management fees, brokerage commissions, administrative expenses, and accrued performance allocation, if any. Net performance includes the reinvestment of all dividends, interest, and capital gains; it assumes an investor has been in the fund since their respective inception dates and participated in any "new issues". Depending on the timing of a specific investment and participation in "new issues," net performance for an individual investor may vary from the net performance as stated herein. Performance data for 2012 is estimated and unaudited.

The inception date for Gator Financial Partners, LLC was July 1, 2008. The performance data presented on the first page of this letter for the market indices under "since inception" is calculated from July 1, 2008. The returns represented encompass a market and economic period of extreme volatility which may not repeat itself.

The market indices shown on the first page of this letter have been selected for purposes of comparing the performance of an investment in the Gator Financial Partners with certain well-known equity benchmarks. The statistical data regarding the indices has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The indices are not subject to any of the fees or expenses to which the funds are subject. The funds are not restricted to investing in those securities which comprise any of these indices, their performance may or may not correlate to any of these indices and it should not be considered a proxy for any of these indices.

Past performance is not necessarily indicative of future results. All investments involve risk including the loss of principal. This letter is confidential and may not be distributed without the express written consent of Gator Capital Management, LLC and does not constitute a recommendation, an offer to sell or a solicitation of an offer to purchase any security or investment product. Any such offer or solicitation may only be made by means of delivery of an approved confidential private offering memorandum.

This letter contains information and analyses relating to some of the Gator Financial Partners' positions during the period reflected on the first page. Gator Capital may currently or in the future buy, sell, cover or otherwise change the form of its investment in the companies discussed in this letter for any reason. Gator Capital hereby disclaims any duty to provide any updates or changes to the information contained here including, without limitation, the manner or type of any Gator Capital investment.

Gator Financial Partners, LLC

Derek Pilecki, CFA
Portfolio Manager

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	4.55%	1.65%	7.51%	(1.37%)	(0.67%)	3.99%	1.94%	(1.57%)	2.40%	-	-	-	19.62%
2011	14.03%	9.26%	(4.00%)	1.20%	6.43%	1.32%	0.36%	(5.00%)	(5.34%)	2.76%	(0.41%)	(4.34%)	15.34%
2010	(2.97%)	6.01%	4.55%	5.77%	(3.00%)	(17.98%)	3.93%	(6.65%)	7.03%	7.73%	5.61%	5.13%	12.39%
2009	22.60%	7.00%	19.23%	11.00%	17.19%	20.93%	7.9%	15.28%	(0.50%)	(12.63%)	(0.87%)	8.65%	186.31%
2008	-	-	-	-	-	-	(1.89%)	(7.24%)	(21.90%)	16.63%	(7.93%)	11.02%	(15.26%)

Net of fees. Past Performance is not indicative of future results.

Fund Overview

Gator Financial Partners, LLC is a long/short equity hedge fund focused on the Financial sector. The Fund is run with +/-25% net common exposure in an attempt to produce investment returns that are independent of the market direction of the Financial sector.

The Fund's portfolio is built by performing intensive bottoms-up fundamental research on both long and short positions. The Fund's portfolio is concentrated on the portfolio manager's highest conviction ideas. The Fund never sells options but will purchase warrants and LEAPs as stock replacements.

The Fund favors small companies and companies with less research coverage from the sell-side. There are 2,000-plus publicly traded companies in the Financial sector. In addition, the sector requires specialized knowledge to correctly analyze the companies. Therefore, the portfolio manager believes there are regular opportunities for specialized investors doing fundamental research in the sector.

The Fund's goal is to maximize total return without using leverage while accepting short-term periods of volatility due to the portfolio's concentration.

Fund Structure

Fund Description	Long/Short Equity Financials
Date Launched	July 1, 2008
Contributions	Monthly
Organization	Delaware LLC
Management Fee	1%
Incentive Allocation	20%
High Water Mark	Yes
Fund AUM[1]	$6.7 million
Strategy AUM	$8.3 million
Firm AUM	$17.2 million
Redemptions	Monthly, no lock-up
Minimum Investment	$100,000

Performance Statistics

	GFP	S&P 500[2]	XLF
Avg. Monthly Return	3.34%	0.56%	0.06%
Highest Monthly Return	22.60%	10.93%	21.76%
Lowest Monthly Return	(21.90%)	(16.80%)	(26.17%)
Monthly Comp. Return	2.63%	0.42%	(0.29%)
Ann. Comp. Return	36.61%	5.14%	(3.46%)
Cumulative Return	276.52%	23.75%	(13.66%)
Profitable Percentage	62.7%	62.7%	52.9%
Max Drawdown	(28.92%)	(42.62%)	(63.89%)

Quantitative Statistics

	GFP	S&P 500	XLF
Annualized Return	36.61%	5.14%	(3.46%)
Standard Deviation	31.34%	19.69%	32.96%
Sharpe Ratio	1.00	0.22	(0.13)
Sortino Ratio	1.85	0.35	(0.15)
Downside Deviation	17.06%	14.17%	24.01%

Correlation to Benchmark

	S&P 500	XLF
Alpha (annualized)	38.7%	42.38%
Beta	0.450	0.226
R^2	0.080	0.057

[1] "Fund AUM" is defined as assets under management in Gator Financial Partners, LLC. "Strategy AUM" is defined as assets under management (both in the Fund and in SMAs) using the same investment strategy as Gator Financial Partners, LLC. "Firm AUM" is defined as all assets under management by Gator Capital Management, LLC.

[2] The market indices shown have been selected for purposes of comparing the performance of an investment in the Gator Financial Partners, LLC with certain well-known equity benchmarks. The statistical data regarding the indices has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The indices are not subject to any of the fees or expenses to which the funds are subject and may involve significantly less risk than Gator Capital strategies. The funds are not restricted to investing in those securities which comprise any of these indices, their performance may or may not correlate to any of these indices and it should not be considered a proxy for any of these indices. The S&P 500 Total Return Index is a market cap weighted index of 500 widely held stocks often used as a proxy for the overall U.S. equity market. An investment cannot be made directly in an index. An investment cannot be made directly in an index. The Financial Select Sector SPDR® Fund (XLF) is an exchanged traded fund designed to track the financial stocks in the S&P 500 Index. Gator Financial Partners, LLC consists of securities which vary significantly from those in the benchmark indexes listed above. Accordingly, comparing results shown to those of such indexes may be of limited use. The source of the index and XLF price data is Bloomberg.

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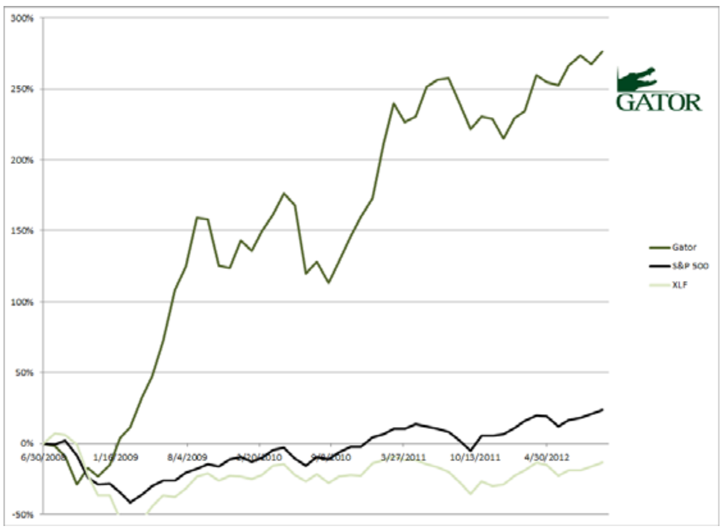
GATOR CAPITAL MANAGEMENT

Gator Financial Partners, LLC

Service Providers

Fund Administrator	Cortland Fund Services
Prime Broker	Interactive Brokers
Legal Counsel	Shumaker Loop
Auditor	Kaufman Rossin

Total Return Since Fund Inception



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Portfolio Manager Biography

Derek Pilecki, CFA

In 2008, Derek Pilecki founded Gator Capital Management. At Gator, Pilecki has the ultimate responsibility for all investment decisions. He manages a long/short equity hedge fund focused on the Financials sector.

From 2002 through 2008, Pilecki was a member of the Goldman Sachs Asset Management (GSAM) Growth Equity Team, which had AUM of $28 billion. While at GSAM, Pilecki was the co-Chair of the Investment Committee for the Growth Team and was a Portfolio Manager. He was also a member of the portfolio management team responsible for the Goldman Sachs Capital Growth Fund, and provided primary analyst coverage of the Financial sector for the Growth Team.

Prior to GSAM, Pilecki was an Analyst at Clover Capital Management in Rochester, NY and Burridge Growth Partners in Chicago, IL and covered the Financial sector at both firms. Before entering graduate school, Pilecki worked at Fannie Mae providing interest rate risk analysis for the company's mortgage investment portfolio.

Pilecki holds an MBA with honors in Finance and Accounting from the University of Chicago and a BA in Economics from Duke University.

Risk Management

Initial Position Size – L/S	2-4% / 1-2%
Maximum Position Size	10% at cost
Gross Exposure Target	Less than 200%
Net Exposure Target	+/- 25%
# of Positions – L/S	30-50 / 30-50

The Fund's advisor is registered with the State of Florida as a Registered Investment Advisor.[3]

Pilecki's largest personal asset is his investment in the Fund and comprises 50% of his net worth.

[3] This does not denote any special skill by the advisor nor any status conferred by the registering entity.

Appendix C
Review of the Gator Financial Partners Strategy and Goals

The Fund is a long/short equity fund focused on the Financials sector. I use bottoms-up fundamental analysis to make investments and build the portfolio, one stock at a time. I attempt to own (or go long) undervalued securities and sell short securities that are overvalued. I generally keep the Fund close to market neutral (+/- 25% net exposure) because I believe returns from stock selection may be more consistent than returns from over-weighting or under-weighting the sector at the appropriate time.

One competitive advantage of the Fund is the deep focus on the Financials sector. The Financials sector has many sub-industries: money center banks, regional banks, trust banks, community banks, thrifts, broker-dealers, non-bank financials, REITs (commercial, apartment, industrial, retail, mortgage, etc.), P&C insurance, life insurance, insurance brokers, asset managers, exchanges and financial technology companies. While many of the major hedge funds are positive on Financials, they generally express their view in the liquid, large-cap banks. While these may be fine positions over time and we own some of these same banks, we add most of our value by going several layers deeper to find attractive values among the less popular or well-known companies in the sector.

Seventy-five percent of the Fund's positions must be in companies in the Financials sector or companies with significant (33% of revenues, profits or allocated capital) in financial services operations. Examples of companies with significant financial services operations are General Electric with GE Capital and eBay with PayPal. Historically, 90 to 95% of the fund's positions have qualified as Financials or financial services related. The non-financial services positions tend to be special situations such as spin-offs, initial public offerings or short positions in former fad or concept stocks.

There are two other distinguishing characteristics of the Fund: a concentrated portfolio and a focus on opportunities with asymmetrical risk/reward (this is code for: "I swing for the fences when I believe the odds are in my favor.") I run the Fund with a concentrated portfolio for several reasons. I believe a concentrated portfolio creates discipline in weeding out bad ideas. Another benefit of a concentrated portfolio is a focus on best ideas. One of my mentors from GSAM taught me that any stock worth buying is worth buying in size. Positions with asymmetrical risk/reward are important because markets often price in average moves and do not anticipate how frequently extreme price moves can occur. We find these asymmetrical opportunities in beaten down stocks, long-term warrants and/or LEAPs, and companies with significant operating leverage. One day when the Fund is of appropriate size, we may also find opportunities in purchasing credit default swaps on companies we want to short. In the brief history of the Fund, these characteristics (a concentrated portfolio and positions with asymmetrical risk/reward) explain the large volatility in the Fund's monthly returns. Most of this volatility has been to the positive, but there have been and will be times when I will be out of sync with the market. Please do not expect the Fund to produce steady returns; instead, I hope the Fund will produce a superior total return over the long-run.

Appendix D
Gator Financial Partners Operational Characteristics

Given the events of 2008 and the common criticisms of hedge funds (limited liquidity, opaque portfolios and self-administration); I have structured the Fund to be more investor friendly than a typical hedge fund. The Fund does not employ lock-ups. There is monthly liquidity and only 10 business days notice is required to redeem investments at month-end. I disclose the entire portfolio to current investors upon request and to prospective investors prior to investment. The Fund has hired independent auditors, Kaufman Rossin based in Miami, who specialize in hedge funds for the Fund's annual audit. The Fund has also hired an independent third-party administrator, Cortland Fund Services based in Chicago, for fund accounting. As an additional financial control, I cannot authorize a release of money from the Fund's checking account at JP Morgan unless Cortland also approves the withdrawal. I want to continue to improve the Fund's structure and terms to remain investor friendly. If you have suggestions, please contact me.

I do offer separate accounts with a $5 million minimum. While I prefer investors to invest directly in the Fund, I will invest separate accounts *pari passu* with the Fund. The trade-off is that a separate account imposes a greater accounting and tax reporting burden on the client. Whether my investors come through the Fund or through a separate account, I feel strongly that the money is the investor's money, the investor has given me the privilege of managing their money, the investor has the right to know how their money is invested, and they have the right to access their money.