GATOR CAPITAL MANAGEMENT

April 20, 2017

Dear Gator Financial Partner:

We are pleased to provide you with Gator Financial Partners, LLC's (the "Fund") Q1 2017 investor letter. This letter briefly reviews the Fund's investment performance for the 1st quarter of 2017, updates you on the Fund's positioning, discusses our investment thesis on Kingstone Companies, and discusses the Fund's current net exposure and positioning by sub-sector.

Review of Q1 2017 Performance

Our 1st quarter 2017 performance was slightly better than the overall Financials sector. The Financials sector lagged the overall market as banks generally had negative returns. For Q1, the Fund returned a positive 3.05%. Syncora, BBX Capital, KKR, and Kingstone are the top contributors to performance year-to-date. On the negative side of the portfolio, several of our best performing stocks from 2016 gave back some gains, such as Ambac, Zions warrants, and Fannie Mae preferred stock.

	Q1 2017	Total Return Since Inception	Annualized Return Since GFP's Inception
Gator Financial Partners, LLC	3.05%	619.88%	25.31%
S&P 500 Total Return Index[1]	6.07%	123.40%	9.62%
S&P 1500 Financials Index	2.27%	82.52%	7.12%

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.

Update on Portfolio Positioning

Overall, we made minor adjustments to our portfolio in Q1 2017. We added to our positions in Kingstone Companies and Ares Management. We exited our position in Oppenhiemer Holdings.

[1] The market index shown has been selected for purposes of comparing the performance of an investment in 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 S&P 1500 Financials Index is a market cap weighted index of financial stocks within the S&P 1500 Super Composite Index we used as a proxy for the financial sector of the U.S. equity market. Gator Financial Partners, LLC consists of securities which vary significantly from those in the benchmark indices listed above. Accordingly, comparing results shown to those of such indices may be of limited use.

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In Q4 2016, we initiated short positions on highly valued small-to-mid cap banks. These shorts helped us to hedge our large positions in TARP warrants from SunTrust, Zions and Capital One. Heading into the election, we believed the hedge fund community was underweight the Financials sector. As the Financials sector began to rally the day after the election, we believe many market participants who were previously underweight Financials rushed into the sector. We believe these investors bought the largest bank stocks and the Financials sector exchange traded funds (ETFs) such as the XLF and the KRE. As we mentioned in our January letter, the buying of the KRE drove all banks in that index up 20% to 40% in the last seven weeks of the year. This was in spite of the individual bank's valuation or interest rate positioning.

In 2017, the Financials sector has lagged the broader market and parts of the Financials sector are starting to "roll-over." We think many post-election buyers of the Financials ETFs are probably exiting or reducing their positions. The bank shorts and hedges we laid out in Q4 2016 have helped to protect us in Q1 2017. We've seen additional weakness in bank stocks in early April. We think the weakness may continue as the momentum buyers exit the sector. If the weakness continues, we plan to use the lower prices to reduce our short positions and our hedges. We believe many of the positives from the November rally such as higher rates, lower corporate taxes, and deregulation will still occur even if it is later than originally thought.

On the long side of the portfolio, we continue to have four strong themes in the portfolio: 1) Financial Guaranty Recovery (Ambac, Syncora, & Fannie Mae preferred stock), 2) Alternative Asset Mangers (Blackstone, KKR, Carlyle, Ares Management & Colony Northstar), 3) TARP Bank Warrants (Zion, SunTrust & Capital One) and 4) Consumer Finance (Ally, Sallie Mae, Capital One & OneMain Financial). On the short side of the portfolio, in addition to the bank hedges mentioned above, we have shorted stocks of companies exposed to the shift from active to passive investment management, digitalization, and a few flawed business models.

Kingstone Companies (NASDAQ: KINS)

We purchased additional common shares of Kingstone Companies, Inc. (NASDAQ: KINS) in late January when the company raised capital in a follow-on offering at $12 per share. We've owned shares in Kingstone since their previous equity offering in December 2013 at $5.95. The shares have increased in value 25% since the recent equity offering. Please do not take this write-up as a recommendation to buy the shares today. We merely want to continue sharing our investment process with you.

Kingstone Companies is a homeowners' insurance company based in New York State. The company has grown quickly since Superstorm Sandy as Allstate and State Farm have reduced their coastal exposures on Long Island. Kingstone also writes insurance on several smaller lines such as physical damage on livery, which is purchased by Uber drivers, and business insurance for small business.

We like Kingstone for the following reasons:

1. **Strong organic growth –** Kingstone has been posting strong gross written premium growth. The company has benefitted from large insurers, such as Allstate and State Farm, reducing their exposures to coastal areas, especially Long Island. We believe these large insurers reduced risk

systematically along the coast without consideration for pricing, so Kingstone has been able to grow while being able price the risk appropriately.

We believe Kingstone will continue this strong growth by expanding into adjacent states like New Jersey and Connecticut. Homeowners insurance is a product that every homeowner is required to buy. Kingstone has carved out a niche among independent insurance agents by providing superior service without channel conflict.

2. **High returns –** Kingstone has stated goals of 20% earnings growth, 20% operating margins, and a 20% return on equity. We think these goals may be too ambitious in light of management wanting to keep premium-to-equity leverage at 1.5x but like that management is trying to generate attractive returns.
3. **CEO is a proven money maker –** With any small company, we believe the management is even more important because their decisions have higher impacts on the business. We think very highly of Barry Goldstein, Kingstone's CEO. In our interactions with him, he has been thoughtful and very astute about insurance. He has shown the ability to recognize business opportunities but is able to balance this to protect his downside risk. For example, he has exited lines of business where the economics are poor, such as commercial auto. Goldstein is Kingstone's largest shareholder. Even though he sold a portion of his holdings in the most recent equity offering, we still believe his interests are closely aligned with other shareholders. We believe he is an owner-operator and not an employee-manager, so he will sell Kingstone if an appropriate offer is made. We believe he has no interest in hanging around to collect a paycheck.
4. **New capital will drive earnings higher –** Kingstone recently raised $30 million in a follow-on equity offering. The company will use this capital to reduce the amount of quota-share reinsurance it buys. The company has grown so quickly that it had to use quote-share reinsurance in support of its growth. The company has steadily reduced the amount of quota-share insurance from 75% to 55% to 40% as it has grown its capital. We believe they will lower the amount of quota share reinsurance to 20% on July 1st. The company still uses a conservative amount of excess-of-loss reinsurance to protect itself from storms.
5. **Active buyer of reinsurance –** Kingstone buys catastrophe reinsurance to protect itself from a 1-in-250 year storm. We believe this is more conservative than its Florida peers. Kingstone has been using the declining reinsurance price environment to further protect its balance sheet. With its current reinsurance treaty, if Kingstone were to have a large loss, it would simply wipe out one quarter's earnings. It would not impact its equity capital.
6. **Received a ratings upgrade which will drive business volumes –** With the recent capital raise and continued increases in catastrophe reinsurance purchased, A.M. Best raised the company's rating from B+ to A-. This improved rating will help the company write additional business. Many insurance agents will not place policies with companies with ratings lower than A- from A.M. Best. The potential ratings increase will help accelerate new business as the company enters new states.
7. **Thoughtful, consistent expansion –** Kingstone has methodically planned its expansion beyond New York state. It has licenses to write homeowners in Pennsylvania, New Jersey, Connecticut, Rhode Island, and Texas. It has decided not to enter Texas because management could not get comfortable with the severity of windstorms in recent years. Instead, Kingstone has recently

started to write homeowners in New Jersey and will begin to write policies in Connecticut and Rhode Island later in 2017. These states have similar weather patterns and clientele to New York.

8. **Valuation is attractive –** At the price of the recent capital raise, Kingstone was trading at 1.5x book value or 6.5x our $1.95 estimate of 2018 earnings per share. With Kingstone's 20% growth rate, unique positioning in the northeastern US, and lower likelihood of hurricanes compared to its Florida-based peers, we believe the stock should trade at a significant premium to the 8.5x 2018 earnings at which the Florida-based homeowners' insurance companies currently trade.
9. **Candidate for consolidation –** At less than $200 million in market capitalization, Kingstone would be a bite-sized acquisition for another insurance company. For the Florida-based homeowners companies, there would be risk diversification benefits from owning Kingstone's NY state book of business. For example, a homeowners company with exposure to Florida and New York would be charged lower reinsurance rates than a company writing solely in Florida.
10. **Investment by RenaissanceRe Ventures –** In early 2016, RenaissanceRe, the well-regarded catastrophe reinsurance company, approached Kingstone to make an investment. They invested $5 million through a private placement of Kingstone common stock by their venture capital arm. We infer from this investment that a smart player in catastrophe reinsurance liked the opportunity Kingstone has in homeowners insurance. We believe RenaissanceRe has given Kingstone informal advice on its reinsurance program since making the investment, which raises our comfort level.

Risks

1. **Higher operational risk due to small organization –** Small companies have greater risk of an operational misstep. Fewer people are involved in making decisions. Key executives may have to fill multiple roles, so the level of expertise may be lower. We do not have any specific concerns regarding Kingstone. Rather, we note they are small.
2. **Potential for higher competition –** Kingstone has benefitted from the vacuum left behind by State Farm and Allstate when they decided to reduce their exposure to Long Island. If these giant competitors reversed course and wanted to increase their exposure to Long Island, they could take business away from Kingstone. We would note that these companies have steadily retreated from Florida since Hurricane Andrew hit in 1992, so we don't think these companies will reverse course without serious consideration.
3. **No direct writing capability –** Kingstone has focused on distributing its policies exclusively through independent insurance agents. As we all know from the never-ending TV ads, auto insurance companies have convinced customers to come to them directly to cut out the agent. This shift to direct distribution has lagged in the homeowners' insurance market. If direct writing in the homeowners insurance market catches up to the auto insurance market, Kingstone is not well positioned. That being said, there will always be some portion of the homeowners insurance market that will be sold through brokers. Within the independent brokerage channel, Kingstone has such a small market share that the channel can shrink and Kingstone would still have plenty of room to grow.

4. **Catastrophe reinsurance market may tighten –** Kingstone has benefitted from the loose market for catastrophe reinsurance. There have not been significant losses in catastrophe reinsurance since the 2005 hurricane season, so catastrophe reinsurance prices have declined for several years. As these prices have declined, Kingstone has used the lower prices to buy the same dollar amount of reinsurance but has been able to secure higher levels of coverage. If the catastrophe reinsurance market were to tighten, Kingstone would have to pay higher rates for reinsurance. This could squeeze Kingstone profit margins if the company is not able to raise rates to its customers.

Overall, we believe Kingstone is an undiscovered gem of an insurance company. The company has an attractive growth opportunity in front of it. As shareholders, we are aligned with a money making CEO. We like the fact that management has high return targets. We believe the company will compound our capital at attractive rates for several more years. Eventually, we believe Kingstone will become part of a large organization.

Portfolio Analysis

Largest Positions

Below are the Fund's largest common equity long and short positions. All data is as of March 31, 2017.

Long	Short
Syncora Holdings Ltd.	Orchid Island
Ambac Financial Group, Inc.	Old National Bancorp.
Zions Bancorporation (warrants)	People's United Financial
KKR & Co.	Webster Financial
Ares Management	Western Union

From this list, we 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 December 31st:

	Long	**Short**	**Net**
Alt Asset Managers	25.61%	-2.42%	23.18%
Asset Managers	1.49%	-1.75%	-0.26%
Broker Dealers	2.68%	-0.56%	2.12%
Banks (large)	27.54%	-40.34%	-12.79%
Banks (small)	4.25%	-8.20%	-3.95%
P&C Insurance	20.43%	0.00%	4.28%
Life Insurance	3.82%	0.00%	3.82%
Non-bank Lenders	9.87%	-0.85%	25.17%
Processors	0.00%	-1.82%	-1.82%
Real Estate	3.78%	-1.36%	2.42%
Exchanges	0.00%	0.00%	0.00%
Index Hedges	0.00%	-23.55%	-21.56%
Non-Financials	0.00%	0.00%	0.00%
Total	100.92%	-80.30%	20.62%

The Fund's gross exposure is 181% and its net exposure is 20.6%. From this table, we exclude fixed income instruments such as preferred stock. Preferred stock positions account for an additional 5.4% of the portfolio. We want to point out that due to the TARP warrants held by the Fund, the net exposure of 20% understates the effective net exposure. Also, the reason there is such a large short position in the Banks (large) is due to hedging a portion of the Fund's TARP warrants.

Conclusion

We continue to see opportunities on both the long and short side of the portfolio to capture value. Thank you for entrusting us with a portion of your wealth. On a personal level, I continue to have more than 80% of my liquid net worth invested in the Fund.

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

Sincerely,

Derek S. Pilecki

Derek S. Pilecki
Managing Member of Gator Capital Management, LLC

This report was prepared by Gator Capital Management, LLC. ALPS Alternative Investment Services, LLC, our administrator, is responsible for the distribution of this information and not its content.

Appendix A

Additional Disclaimers and Notes on 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 2014 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 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. It 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 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 herein including, without limitation, the manner or type of any Gator Capital investment.

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Gator Financial Partners, LLC

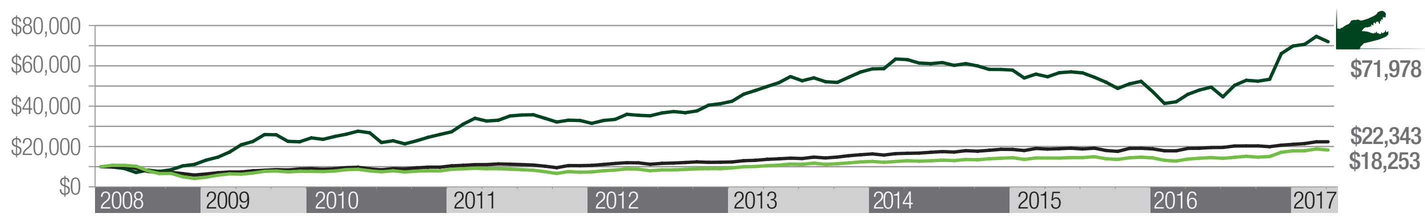
Derek Pilecki, CFA
Portfolio Manager

March 2017

Monthly Performance, Net of Fees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	1.19%	5.58%	(3.54%)										**3.05%**
2016	(12.35%)	2.02%	8.77%	4.68%	3.00%	(9.79%)	12.80%	4.95%	(0.77%)	1.72%	23.95%	5.67%	**48.08%**
2015	(6.78%)	3.56%	(2.34%)	3.67%	0.74%	(0.90%)	(3.78%)	(4.55%)	(5.96%)	4.60%	2.49%	(9.85%)	**(18.55%)**
2014	0.27%	8.12%	(0.48%)	(2.69%)	(0.49%)	0.88%	(2.27%)	1.44%	(1.87%)	(2.89%)	(0.04%)	(0.52%)	**(0.97%)**
2013	8.26%	3.97%	4.11%	3.80%	5.89%	(3.78%)	2.70%	(3.51%)	(0.71%)	5.06%	4.73%	2.68%	**37.76%**
2012	4.55%	1.65%	7.51%	(1.37%)	(0.67%)	3.99%	1.94%	(1.57%)	2.40%	7.61%	1.72%	3.01%	**34.87%**
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%	7.90%	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%)**

Growth of $10,000



Overview

Gator Financial Partners, LLC (the "Fund") is a long/short equity hedge fund focused on the Financials sector. The Fund is run with variable 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 bottom-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 1,600-plus publicly traded companies in the Financials 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.

Private Funds AUM	$36.8M
Strategy AUM	$45.6M
Firm AUM	$62.1M

"PRIVATE FUNDS AUM" IS DEFINED AS ASSETS UNDER MANAGEMENT ("AUM") IN GATOR FINANCIAL PARTNERS, LLC, GATOR FINANCIAL PARTNERS QP, LLC AND GATOR FINANCIAL PARTNERS OFFSHORE, LTD. "STRATEGY AUM" IS DEFINED AS AUM (BOTH IN FUNDS AND IN SMAS) USING THE SAME INVESTMENT STRATEGY AS GATOR FINANCIAL PARTNERS, LLC. "FIRM AUM" IS DEFINED AS ALL AUM BY GATOR CAPITAL MANAGEMENT, LLC.

Performance and Risk Analysis

	Gator Financial	S&P 500 TR	S&P 1500 Financials TR
Average Monthly Return	2.17%	0.87%	0.82%
Monthly Compound Return	1.90%	0.77%	0.57%
Annual Compound Return	25.31%	9.62%	7.12%
Cumulative Return	619.88%	123.40%	82.52%
Profitable Percentage	60.95%	66.67%	59.05%
Max Drawdown	(34.79%)	(42.62%)	(61.55%)
Risk Analysis			
Annualized Volatility	26.06%	15.34%	23.85%
Sharpe Ratio (RFR)	0.87	0.59	0.28
Sortino Ratio (RFR)	1.60	0.88	0.41
Downside Deviation	14.22%	10.54%	17.00%
Regression Analysis (Trailing 36 months)			
Annualized Alpha	—	(6.83%)	(9.07%)
Beta	—	1.33	1.30
R^2	—	0.37	0.71

Risk Management

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

About Gator Capital Management LLC

Gator Capital Management, LLC was founded in 2008 by Derek Pilecki and is located in Tampa, Florida. Gator Capital Management manages small cap portfolios, separately managed accounts, and sector specific private investment partnerships for private and institutional clients and mutual fund investors. Gator Capital Management is registered with the SEC as a Registered Investment Advisor[1].

Derek Pilecki, CFA

Managing Member and Portfolio Manager

Derek Pilecki is the founder of Gator Capital Management and Portfolio Manager for the Gator Financial Partners, LLC.

Prior to Gator, Derek was a member of the Goldman Sachs Asset Management (GSAM) Growth Equity Team. While at GSAM, Derek provided primary coverage of the Financials for the Growth Team. Prior to GSAM, Derek was an equity analyst at Clover Capital Management and Burridge Growth Partners.

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

Derek's largest personal asset is his investment in the Fund and comprises more than 80% of his liquid net worth.

1. Registration of an investment advisor does not imply any level of skill or training.

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Investment Terms

Management Fee	1.0% of assets annually
Incentive Allocation	20% of profits
High-Water Mark	Yes
Lock-up	None
Redemption Policy	Monthly, 10 business days
Minimum Investment	$100,000

Service Providers

Administrator	ALPS Fund Services, Inc.
Prime Brokers	Interactive Brokers, LLC and Jefferies, LLC
Legal Counsel	Kilpatrick Townsend & Stockton LLP
Auditor	Kaufman, Rossin & Co.

Disclaimer

Appendix C
Review of the Gator Financial Partners Strategy and Goals

The Fund is a long/short equity fund focused on the Financials sector. We use a bottom-up fundamental analysis to make investments and build the portfolio, one stock at a time. We attempt to own (or go long) undervalued securities and sell short securities that are overvalued. We generally keep the Fund close to market neutral because we 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 the Financials sector, 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 in companies with a significant stake (33% of revenues, profits or allocated capital) in financial services operations. Historically, 90 to 95% of the fund's positions have qualified as a member of the Financials sector 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: "We swing for the fences when we believe the odds are in our favor."). We run the Fund with a concentrated portfolio for several reasons. We believe a concentrated portfolio creates discipline in weeding out bad ideas. Another benefit of a concentrated portfolio is a focus on the 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 the 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 the fund will be out of sync with the market. Please do not expect the Fund to produce steady returns; instead, we 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), we 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. We disclose the entire portfolio to current investors upon request and to prospective investors prior to investment. The Fund has hired an independent auditor, Kaufman Rossin based in Miami, who specializes in hedge funds, to perform the Fund's annual audit. The Fund has also hired an independent third-party administrator, ALPS Alternative Investment Services, for fund accounting. As an additional financial control, we cannot authorize a release of money from the Fund's checking account at Wells Fargo unless ALPS also approves the withdrawal. We want to continue to improve the Fund's structure and terms to remain investor-friendly. If you have suggestions, please contact us.

We do offer separate accounts with a $5 million minimum. While we prefer investors to invest directly in the Fund, we 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 our investors come through the Fund or through a separate account, we feel strongly that the money is the investor's money, the investor has given us 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.