GATOR
CAPITAL MANAGEMENT

April 2021 Investor Letter

REVIEW OF 1st QUARTER PERFORMANCE

The Fund outperformed the overall market but lagged the Financials sector benchmark. Navient, SLM Corporation, and Western Alliance Bancorporation were top contributors to performance.

RESEARCH SPOTLIGHT – ROYAL BANK OF CANADA

Canadian banks are as cheap as they've been compared to US banks in the last 20 years. The Canadian banking system is an oligopoly of five national banks. This oligopoly in Canada has allowed the banks "North of the Border" to post higher returns with less cyclicality than their US peers.

Dear Gator Financial Partner:

We are pleased to provide you with Gator Financial Partners, LLC's (the "Fund" or "GFP") Q1 2021 investor letter. This letter reviews the Fund's first-quarter investment performance and the sale of our Credit Suisse position. We also discuss our investment thesis on Royal Bank of Canada.

REVIEW OF Q1 2021 PERFORMANCE

For the first quarter of 2021, the Fund outperformed the overall market but lagged the Financials sector benchmark. Navient, SLM Corporation, and Western Alliance Bancorporation were top contributors to performance. The largest detractors were Fannie Mae preferreds, Credit Suisse, and our short position in Lending Club.

	Q1 2021	Total Return Since Inception[1]	Annualized Return Since Gator's Inception[1]
Gator Financial Partners, LLC[2]	10.64%	1,152.09%	21.92%
S&P 500 Total Return Index[3]	6.18%	305.54%	11.61%
S&P 1500 Financials Index[3]	16.32%	181.32%	8.45%

Source: Gator Capital Management & Bloomberg

CREDIT SUISSE

We were extremely disappointed with the news from Credit Suisse in March. We were blindsided with a double dose of management incompetence. In early March, Credit Suisse announced they were suspending redemptions on the bank's investment funds related to Greensill's trade finance business. Then, in late March, the bank announced that it had exposure to the family office Archegos. We believe that of all Wall Street banks, Credit Suisse had the worst response managing the risk presented by Archegos. The combination of these two events in the same month made it clear that the bank does not have

[1]The Fund's inception date was July 1, 2008. [2]Performance presented assumes reinvestment of dividends, is net of fees, brokerage and other commissions, and other expenses an investor in the Fund would have paid. Past performance is not indicative of future results. Please see General Disclaimer on page 9.
[3]Performance presented assumes reinvestment of dividends. No fees or other expenses have been deducted.

adequate risk controls.

We sold our position in Credit Suisse in late March, ending a three-year period of holding shares in the company. Our investment thesis had been Credit Suisse 1) was a global wealth management franchise with an attractive growth rate, 2) had a low-risk, highly profitable domestic Swiss banking franchise, 3) had reduced capital intensity and volatility in the investment bank, and 4) traded for just 75% of tangible book and 8x forward earnings. We believe the bank will be in the penalty box with investors for multiple years due to these risk management failures. We view this situation as similar to Wells Fargo's account opening scandal from four years ago. Wells Fargo has underperformed the S&P 1500 Financials Index by 95% during that. We believe Credit Suisse's stock will probably underperform its peers for several years as well.

CANADIAN BANKS

We believe Canadian banks are attractive relative to US banks right now. Canadian banks are as cheap as they've been compared to US banks in the last 20 years. The Canadian banking system is an oligopoly of five national banks. This oligopoly in Canada has allowed the banks "North of the Border" to post higher returns with less cyclicality than their US peers.

US banks have had a huge run in the last six months due to investor optimism about potential economic strength as a result of the good news about coronavirus vaccines. Since we wrote about regional banks being a "once in a decade buying opportunity" in our Oct. 27th letter, the S&P Regional Banking ETF ("KRE") is up 64%! Although we feel US banks still have upside, the opportunity in US banks from here on out is not as attractive as Canadian banks due to relative valuations. Canadian banks have slowly lost their valuation premiums over the past 10 years.

The table below shows the current valuations and 20-year annualized returns of the five largest Canadian banks versus 5 of the top 6 US banks. We excluded Citigroup because its poor performance and returns. As you can see, the Canadian banks generally have lower valuations even though they have all outperformed the US banks.

	2021 P/E[4]	**2022 P/E**	**P/TB**	**20-yr return[5]**
Canadian Banks:				
RY	11.9	11.4	2.47x	13.61%
TD	12.5	11.9	2.15x	12.43%
BNS	11.0	10.4	2.04x	12.48%
BMO	11.0	10.7	1.81x	11.06%
CM	10.4	10.1	1.48x	10.66%
US Banks:				
JPM	11.8	12.6	2.28x	9.47%
BAC	13.4	12.8	1.88x	4.28%
WFC	12.6	12.5	1.30x	5.27%
USB	12.6	13.1	2.66x	7.75%
PNC	14.5	13.8	1.71x	7.96%

Source: Bloomberg

[4]For Canadian Banks, we use their fiscal years ending in October.
[5]20-yr return calculated via Bloomberg from 3/31/2001 to 3/31/2021. For Canadian banks, we use the US-listed American Depository Receipts ("ADRs").

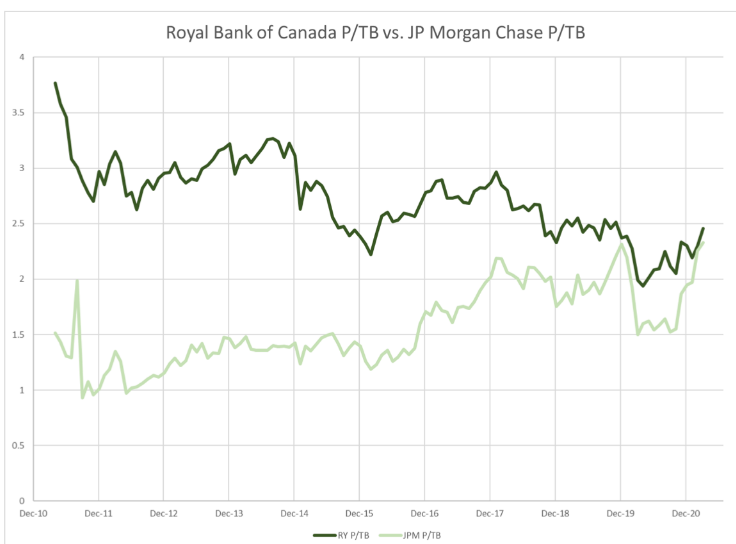
We own a position in Royal Bank of Canada ("RBC") and are completing our due diligence on several other Canadian banks. Royal Bank is the #1 bank in Canada. It has a business mix similar to JP Morgan Chase ("JPM") with strong retail and corporate banking businesses. It also has a significant investment banking and asset management business. From here, we believe Canadian bank stocks will generate attractive returns for shareholders in the medium and long term.

Here is more detail on our investment thesis for Royal Bank of Canada:

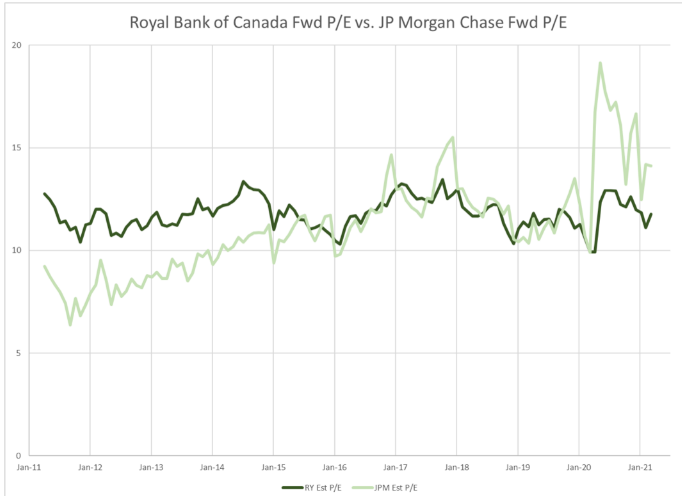
1. **Bank with consistently high returns** – RBC consistently posts Return on Tangible Common Equity ("ROTCE") in the low 20%. In contrast, JPM has reported ROTCE between 12% and 19% over the last six years. We think this reflects the higher margins of the Canadian banking system.

2. **Leading bank in Canada** – RBC is the leading bank in Canada. It has the highest returns, the highest market share, and the highest valuation of the five major Canadian banks. We believe other stock market investors will favor RBC when Canadian banks regain favor.

3. **Low relative valuation to US Banks** – Canadian banks have had premium valuations compared to US banks for a few decades due to their higher and more consistent returns. Over the last 10 years, this valuation premium has almost disappeared. The chart below shows the price-to-tangible book ratio ("P/TB") of RBC compared to JPM's. As you can see, in 2011 RBC traded at 3x P/TB while JPM traded at 1x. Now, both banks trade at 2.5x P/TB.



Source: Bloomberg



Source: Bloomberg

4. **Strong growth at City National** – RBC's US Subsidiary, City National Bank, is growing very quickly. RBC purchased City National in 2015. City National was an LA-based bank focused on high-net-worth customers. At the time of the purchase, City National had already expanded and gained traction in San Francisco and New York. Now, City National has branches in Washington, DC, Atlanta, Miami, Dallas, Minneapolis, San Diego, and Las Vegas. City National has a banking strategy similar to that of First Republic and is growing at a comparable rate. We would note that First Republic trades at 26x 2021 estimated earnings.

5. **Solid management team** – Chief Executive Officer, Dave McKay, has led the bank for the last seven years. He has been at RBC for his entire career and has run several of the business units as he climbed the corporate ladder. Rod Bolger has been Chief Financial Officer for almost five years and has worked at RBC for 10 years. Prior to joining RBC, Bolger worked at Bank of America and Citigroup. We think both men are good bankers and good stewards of shareholder capital.

6. **Consistent capital management** – RBC has had a consistent policy of reinvesting for organic growth, paying a dividend, and using excess capital to repurchase shares. None of the five major Canadian banks have cut their dividend payouts since World War II. At 3.7%, RBC's dividend yield is higher than any major US bank.

7. **Potential for a stronger Canadian dollar** – The Canadian dollar loosely tracks the price of oil. It seems when crude oil is below $60 per barrel, the Canadian dollar trades at 70 cents compared to the US Dollar. When crude oil approaches $100 per barrel, the Canadian dollar trades closer to parity with the US dollar. We do not have a strong view on crude oil prices. Still, we would note that we seem headed toward a strong economic recovery from the pandemic, and crude oil prices generally reflect the level of economic activity.

For the last eight years, we have seen investors shorting Canadian banks due to the housing markets in Toronto and Vancouver. We believe this short thesis is stale and hasn't come to fruition. We believe different dynamics drive the Canadian housing market than the US housing market in 2008. We do not see the banks engaging in risky lending practices. The substantial problem in the US market in 2008 was due to risky loans with low or no documentation and loans to subprime borrowers. We don't see evidence of either of these practices in Canada. We admit that the residential property markets in Toronto and Vancouver appear very expensive, but we believe the pricing reflects the strong demand for housing in global cities with land-constrained markets. We think both Toronto and Vancouver will benefit from immigration policies in the US making it difficult for high-quality immigrants to enter. We compare Toronto and Vancouver to New York and San Francisco and see similar pricing. We would point out that both New York and San Francisco fared relatively well during the 2008 US housing crash. Also, we do not see concerning house pricing trends in the rest of Canada.

We do believe there are real risks in the RBC story:

1. **Energy Exposure** – The Canadian economy is more natural resource dependent than the US economy. Oil and gas production accounts for a significant proportion of the economy. This presents two risks to RBC: 1) direct credit risk to energy companies, and 2) Canadian dollar risk due to the Canadian dollar's high correlation to the price of oil. As the world moves away from fossil fuels, Canada's economy will have to transition as well. In the short-term, this is less of a concern due to the economic strength supporting the price of oil.

2. **M&A** – We would prefer RBC to not make a large acquisition in the US, but we are realistic that they may. We would say their M&A track record is mixed. First, their roll-up of US retail stockbrokers in the 1990s has worked very well. Also, their 2015 acquisition of City National Bank has performed well. However, during the 2000s, RBC bought Centura Bank in North Carolina, Eagle Bancshares in Georgia, and Alabama National BanCorporation. RBC was not able to improve the returns of those three US bank acquisitions and sold the operation to PNC in 2012. RBC lost at least $1 billion over 11 years from these acquisitions. We're hopeful that RBC's management team has learned its lesson and won't try to acquire another generic US bank. We would rather they continue to organically grow the old City National franchise, which focuses on high-net-worth customers in major US cities.

3. **Vaccine distribution in Canada** – A short-term risk is that vaccine distribution in Canada is going more slowly than in the US. So, the Canadian economy might recover more slowly than the US economy. We believe this risk is small because we think stock market investors will look through this issue. However, we are concerned about further lock-downs in Canada, like the recent second shut-down in Ontario.

Given the large rally in US bank stocks, we are moving out of some US banks and into Canadian banks. We have long admired the banking oligopoly in Canada, but we had stayed away due to the hefty premium that the Canadian banks had over the US banks. That premium is largely gone now. We think the Canadian banks will regain their premium valuation over the US banks. We see parallels between buying the Canadian banks now and our call to buy "Growth banks" like SIVB and WAL in 2019. Growth banks had lost their premium valuation because they were asset-sensitive. They have since regained their premium valuation. We think the same thing will happen for the Canadian banks.

PORTFOLIO ANALYSIS

Below are the Fund's five largest common equity long and short positions. All data is as of March 31st, 2021.

Long	Short
PennyMac Financial Services	American Express
Navient	Lakeland Financial
First Bancorp PR	Capitol Federal Financial
OFG Bancorp	Park National Corp
OneMain Holdings	Community Bank System

SUB-SECTOR WEIGHTINGS

Below is a table showing the Fund's positioning within the Financials sector as of March 31st:

	Long	Short	Net
Alt Asset Managers	0.00%	0.00%	0.00%
Capital Markets	5.88%	-3.09%	2.79%
Banks (large)	18.19%	-9.21%	8.98%
Banks(small)	34.88%	-16.06%	18.82%
P&C Insurance	3.50%	-0.62%	2.87%
Life Insurance	0.00%	0.00%	0.00%
Non-Bank Lenders	33.77%	-1.22%	32.55%
Processors	0.00%	0.00%	0.00%
Real Estate	6.55%	0.00%	6.55%
Exchanges	0.00%	0.00%	0.00%
Index Hedges	0.00%	-15.05%	-15.05%
Non-Financials	2.03%	0.00%	2.03%
Total	**104.80%**	**-45.26%**	**59.55%**

The Fund's gross exposure is 160.0%, and its net exposure is 59.6%. From this table, we exclude fixed income instruments such as preferred stock. Preferred stock positions account for an additional 19.5% of the portfolio.

CONCLUSION

Thank you for entrusting us with a portion of your wealth. We are grateful for investors like you who believe and trust in our strategy. On a personal level, Derek Pilecki, the Fund's Portfolio Manager, continues to have more than 80% of his liquid net worth invested in the Fund.

As always, we welcome the opportunity to speak with you and discuss the Fund.

Sincerely,

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All performance results are based on the net asset value of the Fund. Net performance results are presented net of management fees, brokerage commissions, administrative expenses, and accrued performance allocation, as indicated, and include the reinvestment of all dividends, interest, and capital gains. The performance results represent Fund-level returns, and are not an estimate of any specific investor’s actual performance, which may be materially different from such performance depending on numerous factors.

The market indices appearing in this letter have been selected for purposes of comparing the performance of an investment in the Fund 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 the Fund. The Fund is not restricted to investing in those securities which comprise these indices, its performance may or may not correlate to these indices, and it should not be considered a proxy for 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. 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 Financials sector of the U.S. equity market. An investment cannot be made directly in either index. The Fund 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.

Statements herein that reflect projections or expectations of future financial or economic performance of the Fund are forward-looking statements. Such “forward-looking” statements are based on various assumptions, which assumptions may not prove to be correct. Accordingly, there can be no assurance that such assumptions and statements will accurately predict future events or the Fund’s actual performance. No representation or warranty can be given that the estimates, opinions or assumptions made herein will prove to be accurate. Any projections and forward-looking statements included herein should be considered speculative and are qualified in their entirety by the information and risks disclosed in the Fund’s Private Placement Memorandum. Actual results for any period may or may not approximate such forward-looking statements. You are advised to consult with your own independent tax and business advisors concerning the validity and reasonableness of any factual, accounting and tax assumptions. No representations or warranties whatsoever are made by the Fund, the General Partner, or any other person or entity as to the future profitability of the Fund or the results of making an investment in the Fund. Past performance is not a guarantee of future results.

The funds described herein are unregistered private investment funds commonly called “hedge funds” (each, a “Private Fund”). Private Funds, depending upon their investment objectives and strategies, may invest and trade in a variety of different markets, strategies and instruments (including securities, nonsecurities and derivatives) and are NOT subject to the same regulatory requirements as mutual funds, including requirements to provide certain periodic and standardized pricing and valuation information to investors. There are substantial risks in investing in a Private Fund (which also are applicable to the underlying Private Funds, if any, in which a Private Fund may invest). Prospective investors should note that:

- A Private Fund represents a speculative investment and involves a high degree of risk. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment in a Private Fund. An investor could lose all or a substantial portion of his/her/its investment.

- An investment in a Private Fund is not suitable for all investors and should be discretionary capital set aside strictly for speculative purposes. Only qualified eligible investors may invest in a Private Fund.

- A Private Fund's prospectus or offering documents are not reviewed or approved by federal or state regulators and its privately placed interests are not federally, or state registered.

- An investment in a Private Fund may be illiquid and there are significant restrictions on transferring or redeeming interests in a Private Fund. There is no recognized secondary market for an investor's interest in a Private Fund and none is expected to develop. Substantial redemptions within a limited period of time could adversely affect the Private Fund.

- Certain portfolio assets of a Private Fund may be illiquid and without a readily ascertainable market value. The manager's/advisor's involvement in the valuation process creates a potential conflict of interest. Instances of mispriced portfolios, due to fraud or negligence, have occurred in the industry.

- A Private Fund may have little or no operating history or performance and may use performance information which may not reflect actual trading of the Private Fund and should be reviewed carefully. Investors should not place undue reliance on hypothetical, pro forma or predecessor performance.

- A Private Fund may trade in commodity interests, derivatives and futures, both for hedging and speculative purposes, and may execute a substantial portion of trades on foreign exchanges, all of which could result in a substantial risk of loss. Commodities, derivatives and futures prices may be highly volatile, may be difficult to accurately predict, carry specialized risks and can increase the risk of loss.

- A Private Fund's manager/advisor has total trading authority over a Private Fund. The death or disability of a key person, or their departure, may have a material adverse effect on a Private Fund.

- A Private Fund may use a single manager/advisor or employ a single strategy, which could mean a lack of diversification and higher risk. Alternatively, a Private Fund and its managers/advisors may rely on the trading expertise and experience of third-party managers or advisors, the identity of which may not be disclosed to investors, which may trade in a variety of different instruments and markets.

- A Private Fund may involve a complex tax structure, which should be reviewed carefully, and may involve structures or strategies that may cause delays in important financial and tax information being sent to investors.

- A Private Fund's fees and expenses, which may be substantial regardless of any positive return, will offset such Private Fund's trading profits. If a Private Fund's investments are not successful or are not sufficiently successful, these payments and expenses may, over a period of time, significantly reduce or deplete the net asset value of the Private Fund.

- A Private Fund and its managers/advisors and their affiliates may be subject to various potential and actual conflicts of interest.

- A Private Fund may employ investment techniques or measures aimed to reduce the risk of loss which may not be successful or fully successful.

- A Private Fund may employ leverage, including involving derivatives. Leverage presents specialized risks. The more leverage used, the more likely a substantial change in value may occur, either up or down.

The above summary is not a complete list of the risks, tax considerations and other important disclosures involved in investing in a Private Fund and is subject to the more complete disclosures in such Private Fund's offering documents, which must be reviewed carefully prior to making an investment.

Oakpoint Solutions, LLC, member FINRA, SIPC