GATOR
CAPITAL MANAGEMENT

January 30, 2024

Dear Gator Financial Partners:

We are pleased to provide you with Gator Financial Partners, LLC's (the "Fund" or "GFP") 2023 4th Quarter investor letter. This letter reviews the Fund's 2023 Q4 and 2023 annual investment performance, discusses our investment thesis on Robinhood Markets, and shares our thoughts about gross and net exposures.

Review of 2023 Q4 and Annual Performance

During the 4th quarter of 2023, the Fund outperformed both the broader market and the Financials sector benchmark. Our long positions in Robinhood Markets, Western Alliance Bancorporation, Axos Financial, Jackson National Life, and UMB Financial were the top contributors to the Fund's strong performance. The largest detractors were short positions in Bank of Hawaii Corporation, Vornado Realty Trust, Capitol Federal Financial, Charles Schwab Corporation, and Empire State Realty Trust.

	2023 Q4	2023	Total Return Since Inception[1]	Annualized Return Since Inception[1]
Gator Financial Partners, LLC[2]	16.75%	44.18%	1,678.73%	20.41%
S&P 500 Total Return Index[3]	11.69%	26.29%	408.39%	11.06%
S&P 1500 Financials Index[3]	14.31%	11.66%	226.48%	7.93%

Source: Gator Capital Management & Bloomberg

For the full year of 2023, our top contributors were long positions in First Citizens Bancshares, Jackson Financial, Western Alliance Bancorporation, Robinhood Markets, and Pinnacle Financial. Our top detractors included a long position in PacWest Bancorp and short positions in Bank of Hawaii, Vornado Realty Trust, Empire State Realty, and OpenDoor Technologies.

2023 was a chaotic year for the Financials sector. We benefited from a low weighting in regional bank stocks in March when Silicon Valley Bank and Signature Bank failed. In the aftermath of the bank failures, the regional bank index declined over 30%. The banking system saw deposit flight from regional banks to the larger "too big to fail" banks. Some investors openly questioned whether the regional bank model was viable going forward. Other investors questioned why we needed regional banks at all given other countries have consolidated banking systems. This was an example of similar situations in the past from which we have built our successful track record. From time-to-time, increased perceived risk and market volatility cause investors to flee a particular sub-sector within the Financials sector. Instead, we

[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 7.

[3] Performance presented assumes reinvestment of dividends. No fees or other expenses have been deducted.

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have used our experience to analyze the situation properly and find opportunities where we thought the market was mispricing the potential risk. Oftentimes, these situations required action before clarity was evident. We have been able to step into these uncertain situations and purchase positions at advantageous prices.

The key insights that raised our confidence to buy regional banks last Spring were 1) almost all of the stress in regional banks was felt by those banks focused on serving the venture capital industry, 2) banks without venture capital clients were not seeing deposit flight; however, all banks experienced deposit pricing pressure, and 3) there was a lot of disruption among bank sector focused investors due to investor redemptions as well as multi-strategy funds reducing portfolio manager capital allocations. This caused regional bank valuations to fall to extremely low levels. We thought bank stocks would rally when investors saw that banks had a greater level of deposit stability than feared. Also, we observed that valuations within the regional banking sector had minimal dispersion. It seemed as if every regional bank traded at 7x earnings regardless of whether the bank was well positioned for the current interest rate environment or not. We used these insights to buy several bank stocks between April and June. We were also able to short a few banks trading at similar valuations that were not well-positioned for the more challenging deposit-gathering environment. The Fund had nice gains in the summer as bank stocks started to recover and reaped the benefits of the strong year-end rally.

Looking ahead to 2024, we believe regional banks continue to present an attractive opportunity. Despite the year-end rally, we believe valuations are still on the lower end of the historical range. We also perceive that other investors are too concerned about credit risk. While we do not want to ignore potential credit issues, we think the economy is strong and that credit metrics will not become materially worse in the near term. With this view, we believe bank stocks will have above-average returns in 2024. On the other hand, our weighting to regional banks is higher than normal, and we expect to reduce our bank stock holdings if they do rally during the year.

Robinhood Markets (NASDAQ: HOOD)

One of the top contributors to the Fund in Q4 was a newly purchased position in Robinhood Markets. We understand this may surprise some of our partners as a money losing, VC-funded financial technology company appears to conflict with our investment history of preferring highly profitable companies with low valuations. We had followed Robinhood for several years before purchasing shares. In fact, we shorted the stock from December 2021 to April 2022. We continued to follow the stock and have admired Robinhood's innovation of the mobile app, engagement with its customer base, and its introduction of zero-commission stock trading.

After reporting earnings in early November 2023, Robinhood's stock declined 15% due to a slight adjustment in guidance as a result of changes in market interest rates as well as a seasonal slowdown in customer trading activity during September. We did not think either of these issues justified the stock declining 15%. We also believed the valuation was attractive and started to buy shares.

Here was our investment thesis when we purchased Robinhood in November 2023:

1. Robinhood was trading at $8.07, and its tangible book value was $7.92. This valued Robinhood at just above 1.0x book value. We felt this valuation provided a good amount of downside protection. In fact, Robinhood has been buying back its shares in recent quarters because of the

low price. Robinhood is marginally profitable, and we do not see book value declining except in severe market scenarios.

2. Robinhood is growing accounts and consistently attracting new net assets from customers onto its platform on a monthly basis. Robinhood adds about 30,000 new accounts per month and attracts over $1.0 billion of customer inflows per month. At this rate of customer inflows, Robinhood is growing at an 18% per year rate without considering market appreciation from their customers' investments.
3. Robinhood has better positioning as a customer advocate than industry leader Schwab. Although Schwab has a great franchise and large market share, we think the company has wrecked its business model in the name of imitating Robinhood. When Robinhood was launched, the company's innovation was free stock trading. Schwab copied Robinhood's free stock trading model. Schwab's move caused Ameritrade's management to panic and agree to an acquisition by Schwab. Schwab's management team thought they could make up for the lack of stock commission revenue by forcing their customers into holding their excess cash in Schwab's affiliated bank and paying an unreasonably low interest rate on this excess cash. The table below shows the interest rates major brokerages pay their customers on excess cash.

Broker	**Interest Rate on Default Option for Residual Cash**	**Default Option**
Schwab	1.35%	Schwab Bank
Fidelity	4.98%	SPAXX
Vanguard	5.29%	VMRXX
Interactive Brokers	4.83%	Broker interest
Robinhood	5.00%	Broker interest (Gold subscription)

Schwab is clearly on the wrong side of customer advocacy on this issue.

4. Robinhood is introducing new products at an impressive pace. They have already introduced Gold Subscription Accounts, retirement accounts, UK accounts, and credit cards. In addition, Robinhood has several new exciting products that they've announced but not launched, such as futures and advisory accounts. They can also introduce other products in the future, such as trust accounts, corporate accounts, advisor accounts, and mortgage lending. We believe these new products will help Robinhood take market share and grow faster than the industry.
5. Robinhood appears to be getting its expenses under control. Robinhood has been reducing its expenses, including stock-based compensation. In Q3 2023, Robinhood beat analysts' estimates for EBITDA by $30 million due entirely to lower expenses than previously forecasted. We think Robinhood's management is realistic about reducing the company's expenses while still investing in new products.
6. There is historical precedent for stock market investors to place high valuations on discount brokerage firms during periods of high growth. In late 1998 and early 1999, Ameritrade's stock price climbed 17x in six months as individual investors opened new brokerage accounts to trade stocks at the beginning stages of the Internet bubble.
7. Robinhood's business is still small, but this allows Robinhood plenty of room to grow. We think this potential growth will create substantial shareholder value.

There are risks to Robinhood:

1. Low-end customer base – Robinhood's average account value is only $4,000. It has millions of very small accounts. Most of these accounts will never amount to anything. There is also the risk

that existing customers will look to "graduate" from Robinhood when they start saving and investing more substantial amounts of money.

2. Potentially damaged reputation from meme stock operations – When GameStop's stock went parabolic in early 2021, Robinhood's customer base traded the stock like crazy. Robinhood's systems had trouble keeping up with the order flow, and Robinhood had trouble meeting its skyrocketing net capital requirements from the increase in customer trading. Robinhood paused the trading of certain stocks during very volatile days, and customers could not transact. There were many stories of customers not able to trade out of losing positions. The damage to Robinhood's reputation continues. But, we believe the damage is dissipating as Robinhood continues to show growth in customer accounts and customer assets.
3. Robinhood has had consistent insider selling. Several executives have programs in place to sell shares regularly. We don't have a satisfactory answer for this selling given what we believe is a low stock price.

Although Robinhood's price is above where we purchased shares, we think Robinhood is still attractive because the downside is limited to tangible book value. The upside could be multiples of the current stock price depending on customer acquisition and market share gains. We are excited about management's efforts to grow the business by introducing new products to attract additional customers. Management also recognizes the opportunity to gain wallet share with existing customers. We believe the industry needs additional competition after Schwab's purchase of Ameritrade. We think Robinhood has the potential to produce good returns as they step into the opportunity left open by the Schwab-Ameritrade merger.

Gross & Net Exposures

We want to review how we run our gross and net exposures on a portfolio basis. Over the last few years, we usually run our gross long exposure of common stocks at approximately 130%. We had variable gross short exposure of 50% to 80%. In practice, we have usually been closer to 50% for gross short exposure. So, although our variable net exposure has been 50% to 80%, it is usually between 70% and 80%. This reflects our general optimism about the economy and our sector. We envision scenarios where we will be more concerned about the market. We expect these will be centered on credit risk. So far, we have been less concerned about credit risk than the market. We believe there is less credit risk in the banking system after the Dodd-Frank legislation of 2010. Since we believe credit risk and leverage have been mitigated, we believe there is less systemic risk in the financial system than 15-20 years ago, so we have been net long for most of the Fund's history.

We have also held anywhere from 15% to 25% of exposure to distressed preferred stocks. These have been the GSE preferreds, Mortgage REIT preferreds, or a few bank preferreds. When we report our exposures, we report these distressed preferred stocks separately because the Betas are low.

Occasionally, we are asked why we run our portfolio with leverage, i.e., why do we have 130% gross long exposure? Our answer is: When we look at the returns of our longs and shorts through the 15 years of the Fund, our long positions have compounded at close to 30%. The Financials index has compounded at 8%. Our shorts have compounded at 7%. So, while we add marginal Alpha with our shorts, our shorts allow us to own more of our high-performing long positions.

Portfolio Analysis

Largest Positions
Below are the Fund's five largest common equity long positions. All data is as of December 31, 2023.

Long
First Citizens Bancshares
Robinhood Markets
Genworth Financial
UMB Financial
Western Alliance Bancorp

Sub-sector Weightings
Below is a table showing the Fund's positioning within the Financials sector[4] as of December 31, 2023.

	Long	Short	Net
Alt Asset Managers	5.17%	-2.00%	3.17%
Capital Markets	15.87%	-2.94%	12.93%
Banks (large)	45.98%	-13.97%	32.02%
Banks (small)	36.20%	-18.59%	17.61%
P&C Insurance	2.34%	-1.84%	0.50%
Life Insurance	12.27%	0.00%	12.27%
Non-bank Lenders	9.75%	0.00%	9.75%
Processors	0.00%	0.00%	0.00%
Real Estate	5.89%	-13.64%	-7.75%
Exchanges	0.00%	0.00%	0.00%
Index Hedges	0.00%	0.00%	0.00%
Non-Financials	0.00%	0.00%	0.00%
Total	133.48%	-52.98%	80.50%

The Fund's gross exposure is 186.5%, and its net exposure is 80.5%. From this table, we exclude fixed-income instruments such as preferred stock. Preferred stock positions account for an additional 22.6% of the portfolio.

[4] "Financials sector" is defined as companies included in the Global Industry Classification System ("GICS") sectors 40 and 60, which contains financial and real estate companies.

Conclusion

Thank you for entrusting us with a portion of your wealth. We are grateful for you, our investors, 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,

Gator Capital Management, LLC

Gator Capital Management, LLC

Gator Capital Management, LLC prepared this letter. Ultimus LeverPoint Fund Solutions, LLC, our administrator, is responsible for the distribution of this information and not its content.

General Disclaimer

By accepting this investment letter, you agree that you will not divulge any information contained herein to any other party. This letter and its contents are confidential and proprietary information of the Fund, and any reproduction of this information, in whole or in part, without the prior written consent of the Fund is prohibited.

The information contained in this letter reflects the opinions and projections of Gator Capital Management, LLC (the "General Partner") and its affiliates as of the date of publication, which are subject to change without notice at any time subsequent to the date of issue. All information provided is for informational purposes only and should not be deemed as investment advice or a recommendation to purchase or sell any specific security.

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, non-securities 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.