GATOR
CAPITAL MANAGEMENT

January 28, 2025

Dear Gator Financial Partners:

We are pleased to provide you with Gator Financial Partners, LLC's (the "Fund" or "GFP") 2024 4th quarter investor letter. This letter reviews the Fund's 2024 Q4 and 2024 annual investment performance, updates our view of the Regional Banking industry sub-sector, and shares our investment thesis on Société Générale ("SocGen" or "GLE").

Review of 2024 Q4 Performance

During the 4th quarter of 2024, the Fund performed well, outperforming both the broader market and the Financials sector benchmark. Our long positions in Robinhood Markets, Fannie Mae preferred stock, First Citizens Bancshares, Kingstone Companies, and Pinnacle Financial Partners were the top contributors to the Fund's performance. The largest detractors were long positions in Anywhere Real Estate and OFG Bancorp and short positions in Bank of Hawaii, Citigroup, and JP Morgan Chase.

	2024 Q4	2024 Year-To-Date	Total Return Since Inception[1]	Annualized Return Since Inception[1]
Gator Financial Partners, LLC[2]	14.15%	41.88%	2,423.69%	21.61%
S&P 500 Total Return Index[3]	2.41%	25.02%	535.59%	11.86%
S&P 1500 Financials Index[3]	6.92%	29.78%	323.71%	9.15%

Source: Gator Capital Management & Bloomberg

Review of 2024

2024 was a strong year for the Fund's portfolio. We were able to keep pace with the robust performance of the Financials sector. Our top-performing stocks for the year were Robinhood, First Citizens, Jackson Financial, Kingstone Companies, and Northeast Bank. Our biggest detractors were short positions in Vornado Realty Trust, Hingham Institution for Savings, Columbia Banking System, Cousins Properties, and Texas Capital Bancshares.

Within the financial sector, the large universal banks were strong all year, but the regional banks had a slow start to the year due to distress at New York Community Bank. However, they regained momentum in the middle of the year, with strong performance in July and again in November. One of the biggest surprises of 2024 was the strong credit quality observed within the banking system, as commercial real estate loans never materialized into a broad problem in the banking system. We mentioned in our July letter that we did not believe that Commercial Real Estate ("CRE") would become an issue. We felt these

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[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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fears were overblown because regional banks did not hold mortgages on large office towers in the gateway cities such as New York, San Francisco, and Chicago. Instead, their CRE exposure is on smaller properties. Typical loan portfolios for regional banks consist of loans on owner-occupied or medical office properties.

Our gains were broad-based during 2024. We had strong performers from various subsectors, such as asset managers, life insurance, retail brokers, and banks of all sizes. We benefited from keeping our net exposure between 75% and 80% for most of the year and from our modest use of leverage. Our gross long exposure was approximately 130% throughout the year. Lastly, both our longs and shorts outperformed the Financials sector index for the year.

Outlook for Regional Banks in 2025

We remain optimistic about potential returns for regional banks in 2025. We've been overweight Regional Banks since the Regional Bank crisis in March 2023. We believe the economy is strong and anticipate increased economic activity driven by the release of "animal spirits" under the new administration. With the election behind us, uncertainty is reduced, allowing individuals and businesses to take more risks. Specifically, within the Regional Banking sector, we see several potential tailwinds. We believe the benefit of the four interest rate cuts to small and mid-sized banks is under-appreciated by investors. We are optimistic that loan growth can accelerate in 2025 from the slow growth of the last couple of years. Bank stocks are still inexpensive compared to their history and the rest of the market. Finally, we think the deregulatory environment will benefit banks significantly by spurring more M&A and reducing capital requirements.

Recent interest rate cuts have stabilized the deposit funding environment for banks. The deposit landscape has been challenging since the collapse of Silicon Valley Bank in March 2023. The interest rate cuts at the end of 2024 flattened the previously inverted yield curve. An inverted yield curve creates a highly unfavorable environment for regional banks, and eliminating this inversion greatly enhances their ability to generate profits. We believe the market will be surprised by the improvement in net interest margins at regional banks due to these rate cuts.

We expect banks to benefit on the loan front in two essential ways. First, we expect loan growth to accelerate. Loan growth has been tepid over the last couple of years. We believe loan demand from borrowers has been soft due to sticker shock from higher loan rates. Given the election uncertainty, we also believe borrowers did not want to commit to new loans. Additionally, banks pulled back from lending due to the constrained deposit funding environment. These three issues are going away, and loan growth should pick up. A second benefit for the banks is the passage of time since rates were increased during 2022. As fixed-rate loans originated in 2020-22 mature, banks will reprice the loans to current higher rates. Increased loan growth and repricing maturing loans are tailwinds for banks.

Although the overall stock market appears expensive, the median bank stock still trades below its long-term average valuation. Within the banking sub-sector, small-cap banks appear the most undervalued, followed by mid-cap banks, while large-cap stocks seem the least attractive.

We expect the bank M&A environment to accelerate in 2025, driven by the change in the presidential administration. In the last four years, bank regulators have been taking longer to approve new deals than historically. This discouraged many bank executive teams from pursuing mergers and acquisitions.

However, this has changed, as evidenced by the swift approval of several recent deals. As reflected in recent earnings reports, the clear benefits of economies of scale in banking are adding urgency for growth among banks. Specifically, we expect banks ranked #5 through #25 to feel a pressing need to expand their scale, which should lead to numerous merger announcements. This, in turn, could drive rising valuations for regional banks. Lastly, large bank valuations are higher than small bank valuations, making acquisitions easier financially.

The increased M&A activity will create opportunities for both long and short positions in our portfolio. Bank investors have been disciplined in penalizing institutions that overpay for acquisitions while rewarding those that make well-priced, strategic deals. We will remain flexible and evaluate each transaction on its own merits.

New Position in Société Générale

We recently initiated a position in a European bank: Société Générale. SocGen trades at less than 5x estimated 2026 earnings and is increasing its focus on shareholder returns. We believe it presents a compelling investment opportunity. Here is our investment thesis:

1. Heavily discounted valuation: GLE trades at 45% of tangible book value and 4.2x 2026 per share earnings estimates.
2. New CEO Krupa has been in the role for less than two years but has focused the bank on improving shareholder returns by selling businesses that don't meet their risk-adjusted return hurdles, cutting costs, and driving less capital-intensive, fee-related revenue.
3. BoursoBank, an online bank subsidiary, is driving significant growth. It is in a rapid customer acquisition mode, so earnings are temporarily muted due to customer acquisition costs. BoursoBank would have significant asset value if it were separately listed.
4. Over the past few years, reduced risk-taking in trading businesses has led to a less volatile revenue stream.
5. Has sold many foreign banking subsidiaries to reduce complexity and improve capital allocation.
6. French retail bank unit is poised to produce improved results due to accelerating loan growth, lower deposit rates, and insurance in-flows.
7. SocGen has several publicly listed subsidiaries that account for 20% of its earnings, but the value of SocGen's stake in these shares is almost 40% of its market capitalization. We don't expect SocGen to monetize all of these publicly listed subsidiaries, but we think they could easily sell the publicly listed retail banking businesses in Romania and Czech Republic as non-core and potential divestitures.
8. We expect a fresh round of cost-cutting. SocGen's cost structure has been terrible for decades, and we see ample opportunity to improve it.
9. We expect management to raise ROE targets during 2025.
10. We expect additional share buyback announcements in 2025.
11. SocGen's stock price could catch up to those of its European peers. The European bank index has climbed 55% over the last three years while SocGen's stock has declined 4%.

We believe the sea-change of a French CEO talking about improving shareholder returns is noticeable. This seems like what we observed in Japan over the last few years. As management teams in Japan began to talk about shareholder returns, investors took notice and bid up stock prices. We believe there is the potential for this to repeat with SocGen.

Portfolio Analysis

Largest Positions

Below are the Fund's five largest common equity long positions. All data is as of December 31, 2024.

<u>Long</u>
Robinhood Markets Inc.
First Citizens Bancshares
UMB Financial Corp.
SLM Corp
Axos Financial

Sub-sector Weightings

Below is a table showing the Fund's positioning within the Financials sector[5] as of December 31, 2024.

	Long	Short	Net
Alt Asset Managers	4.21%	-0.84%	3.37%
Capital Markets	24.39%	0.00%	24.39%
Banks (large)	11.73%	-8.67%	3.06%
Banks (mid)	28.22%	-15.98%	12.23%
Banks (small)	23.83%	-6.64%	17.19%
P&C Insurance	3.00%	-9.33%	-6.32%
Life Insurance	9.07%	0.00%	9.07%
Non-bank Lenders	8.18%	0.00%	8.18%
Processors	10.87%	0.00%	10.87%
Real Estate	5.64%	-7.12%	-1.48%
Exchanges	0.00%	0.00%	0.00%
Index Hedges	0.00%	-9.80%	-9.80%
Non-Financials	0.00%	0.00%	0.00%
Total	**129.13%**	**-58.38%**	**70.76%**

The Fund's gross exposure is 187.51%, and its net exposure is 70.76%. From this table, we exclude fixed-income instruments such as preferred stock. Preferred stock positions account for an additional 14.96% of the portfolio.

[5] '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 to you, our investors, who believe in and trust our strategy. On a personal level, Derek Pilecki, the Fund's Portfolio Manager, continues to invest more than 80% of his liquid net worth 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 the purpose 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.