



**ELIZABETH PARK CAPITAL ADVISORS, LTD
("Elizabeth Park" or the "Adviser")**

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**Part 2A of Form ADV
(The "Brochure")**

February 8, 2024

This Brochure provides information about the qualifications and business practices of Elizabeth Park. If you have any questions about the contents of this Brochure, please contact Ernest C. Pelaia ("Chief Compliance Officer" or "CCO") at 216-292-5711 or ec@elizabethparkcm.com. This information has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about the Adviser is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

The Adviser's principal place of business has changed since its most recent version of the Brochure dated March 31, 2023. The Adviser does not consider any other information contained in this version of the Brochure to represent a material change. Our current and potential investors are encouraged to read this Brochure, as well as all of the governing documents applicable to their current or prospective investment, in their entirety.

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Item 4. Advisory Business

Elizabeth Park was founded in 2008. Elizabeth Park is an Ohio Limited Liability Company located in Pepper Pike, Ohio. Its principal owner is Fred Cummings, Founder, President and Managing Member (referred to herein as the “Managing Member”).

Elizabeth Park provides discretionary investment advisory services to its clients, which consist of pooled investment vehicles and, from time-to-time, separately managed accounts (collectively, and any additional investment vehicle or account that Elizabeth Park or its affiliates may manage in the future, the “Clients”).

The Clients are managed in accordance with the investment objectives, strategies and guidelines and the terms and conditions of the investment, set out in their respective private placement memoranda (“PPM”), investment management agreements, organizational, or other governing documents (collectively, the “Governing Documents”).

Elizabeth Park provides advice to the Clients with respect to trading and investing, both long and short, in a broad range of equity and preferred securities with a focus on the financial services industry. Services provided to the Clients by Elizabeth Park or its personnel or affiliates, may include, in addition to advice regarding investments, executing and reconciling trades, preparing financial statements, providing audit support, preparing tax-related schedules and documents and sales support and investor relations services.

The Adviser does not tailor its advisory services to the individual needs of investors in the Clients (“Investors”). Each Client may have investment restrictions on investing in certain securities or other assets, to the extent that such securities are outside of the applicable Client’s existing investment program.

As of December 31, 2022, Elizabeth Park had discretionary regulatory assets under management of \$347,583,666.

Item 5. Fees and Compensation

The fees and expenses that are applicable to an investment with the Adviser are set forth and agreed to in each Client’s Governing Documents. Investors and prospective investors must carefully review the Governing Documents of the Client in which they are invested or may invest, to review the specific fees and expenses applicable to their investment.

Pursuant to the Governing Documents, Elizabeth Park is generally entitled to receive an asset-based management fee of 1.5% annually for its long-short strategy and 1.0% annually for its bank consolidation strategy. Management fees are payable quarterly in advance, and incentive fees or allocations are paid generally on an annual basis. Incentive fees or allocations for both strategies will generally equal 20% annually, in each case based on the net capital appreciation in such Investor’s capital account(s) or shares, as applicable, subject to a “high water mark,” as described in the Governing Documents. Management fees and incentive fees or allocations are generally calculated and charged separately, in accordance with such adjustments and pursuant to such process set forth in the Governing Documents. Such compensation is determined at the time of the organization of a Client. Fees may be paid to Elizabeth Park or any of its affiliates.

Management fees will be pro-rated when Elizabeth Park provides services for less than a full quarter and, if paid in advance, will be automatically refunded and reflected in the net asset value of the Investor's capital account(s) or shares, as applicable. Elizabeth Park has, and may in the future continue to, waive, reduce or require a different fee arrangement from its affiliates, owners, employees, their family members and certain other investors.

Incentive fees or allocations will also be assessed as of the end of other accounting periods in accordance with the Governing Documents, including upon withdrawal of capital by an Investor or liquidation of a fund, if such withdrawal or liquidation occurs on a date other than the standard assessment date.

In addition to paying investment management fees and incurring performance-based fees, the Clients will be subject to other investment expenses, including but not limited to commissions, money market fund fees, research consultants' fees and research fees and expenses (including subscription fees for services such as Bloomberg), interest on margin accounts and other indebtedness; borrowing charges related to short sales; custodial fees; government expenses; taxes; administrative expenses; legal expenses; external accounting expenses; research and market data expenses; audit and tax preparation expenses; corporate licensing; custodial fees; directors and officers insurance and any other expenses reasonably related to the purchase, sale or transmittal of Client assets. Clients should carefully review Item 12, which discusses conflicts of interest related to brokerage practices. Please also review the Governing Documents of the applicable Client for a description of the fees and expenses associated with an investment therein.

Item 6. Performance-Based Fees and Side-by-Side Management

As discussed above, Elizabeth Park charges performance-based fees to each of the Clients.

Elizabeth Park's receipt of performance-based fees is intended to align the Adviser's interests with those of the Clients and to provide the Adviser with a greater incentive to manage assets well. The nature of performance-based fees, however, creates a potential conflict of interest among the Adviser, its associated persons, and its Clients. An incentive fee arrangement may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee.

Therefore, the Adviser has an incentive to allocate investments that are expected to be more profitable to accounts from which it collects greater performance-based fees, on the one hand, and that are riskier on the other hand, since in both scenarios, the Adviser may receive greater fees if the investment generates a positive return. Notwithstanding the foregoing, the Adviser reviews allocations among accounts to ensure that it does not favor accounts that pay performance-based fees.

Item 7. Types of Clients

As described in Item 4, the Adviser's clients are privately placed pooled investment vehicles and, from time-to-time, separately managed accounts suitable for institutional and other sophisticated investors.

Any initial and additional subscription minimums for investors are disclosed in the Clients' Governing Documents.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Elizabeth Park invests in the equity securities of financial services companies, primarily U.S. banks and thrifts. Investments may also include insurance companies, asset management firms, real estate investment trusts (“REITs”), real estate operating companies, business development companies (“BDCs”), commercial and consumer finance, leasing, brokerage and financial technology businesses and companies providing technology, infrastructure, information, support, and services to any of the foregoing, as well as companies or other business or pass-through entities whose activities are similar or attendant to those of companies which are engaged in the financial services sector.

Within the financial services industry, Elizabeth Park uses fundamental value analysis and other research methods to identify mispriced securities and/or acquisition candidates. Elizabeth Park develops and maintains target values for acceptable investments and seeks to buy available securities at the greatest risk-adjusted discounts to value and sell them as their values approach targets or substantially better alternative investments are identified.

Depending on the Client’s investment objective, Elizabeth Park seeks to:

- identify specific companies that will prosper as their operating environments change;
- identify strong management teams operating in attractive markets with above-average growth potential;
- take advantage of cyclical opportunities in the industry;
- take advantage of the continued consolidation activity that is expected to occur; and
- manage portfolios to limit liquidity risk and downside volatility.

In addition, Elizabeth Park intends, in the future, to pursue an investment strategy for certain Clients focusing on impacting the financial services industry in underbanked communities and communities of color in the U.S.

Elizabeth Park examines numerous factors relating to a potential investment, which may include its financial condition, earnings quality, distribution of loans and deposits, projected earnings, prospects for dividends, prospects for appreciation of stock price, capitalization, management capability and practices, various valuation ratios of comparable public companies, diversification of a Client’s portfolio and the possibilities for corporate restructuring, such as prospects that an issuer could become a target of a tender offer or acquisition candidate, or bank size to assess community impact. Elizabeth Park also considers macro-economic factors, such as the general economic and political outlook and interest and inflation rates.

Investments will generally be concentrated in micro-cap, small-cap and mid-cap companies, but allocations may shift at the discretion of Elizabeth Park. Investments in micro, small and medium capitalization companies involve greater risk than is customarily associated with larger, more established companies. Smaller companies often have limited markets or financial resources, and they may be dependent upon small management teams. Securities of smaller companies may have limited marketability and may be subject to more abrupt or erratic movements in price than securities of larger companies or market averages in general.

Certain of the key risks and conflicts of interest involved with investing with Elizabeth Park are summarized below; however, this summary does not purport to identify every risk or provide a full description of the

identified risks. Investors and prospective investors should consult their own advisers before making an investment with Elizabeth Park, including consulting their own tax advisers in evaluating the tax consequences of an investment. For additional information, including additional information regarding the risks involved with investing with Elizabeth Park and certain conflicts of interest identified by Elizabeth Park in its provision of investment advisory services to the Clients, investors and prospective investors must carefully review the Governing Documents of each Client.

Certain factors affecting the financial services industry generally are associated with the investment strategies employed by Elizabeth Park:

- the extensive regulation, supervision and examination of financial services entities by U.S. federal and state law and regulatory agencies, which regulatory framework is subject to changes that may affect materially the operations and results of financial services entities and their holding companies including, for example, the consequences of legislation which limits the ability of banks to engage in proprietary trading and increases capital requirements;
- the stability and pace of the economic growth and associated Federal Reserve interest rate policy remain in question;
- regulatory and charter restrictions applicable to changes in control of certain banks, thrifts and insurance companies, which may limit the potential for acquisitions and the stock appreciation that may arise from such transactions;
- the risks associated with local, national and international economic conditions;
- changes in regulation may have unforeseen results and, therefore, in addition to creating investment opportunities, may also create additional risk;
- the sensitivity of the insurance industry to catastrophic events beyond its control, such as future military action or acts of terrorism and acts of nature, including earthquakes, floods and storms, all of which can increase claims as well as decreasing the availability and increasing the cost of reinsurance;
- increasing internationalization of financial and credit markets increases the possible adverse effect on U.S. financial institutions of non-U.S. economic disturbances; and
- increasing competition in the financial services and insurance industries is eroding market share and decreasing margins.

Elizabeth Park may maintain significant amounts of a Client's capital in cash, particularly when it believes the Client should maintain a defensive posture, or when Elizabeth Park determines that opportunities for investing are unattractive. Among the cash equivalents which Elizabeth Park may acquire are: obligations of the United States Government, its agencies or instrumentalities, commercial paper, and certificates of deposit and bankers' acceptances issued by domestic branches of U.S. banks that are members of the Deposit Insurance Fund. Elizabeth Park also may enter into repurchase or reverse repurchase agreements, may purchase shares of money market mutual funds properly registered under the securities laws, and may receive interest paid on its credit balances with securities firms or others. There is no restriction on the amount of time that funds may be held prior to being utilized. All funds will be received in the name of a Client, and funds held as margin deposits will be properly segregated in accordance with applicable regulations.

Although, it does not expect to do so on a regular basis, Elizabeth Park reserves the right to invest in futures and options on futures. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Elizabeth Park has, and may in the future continue to, engage in short selling or selling securities it does not own for risk management or hedging purposes as well as to create profit opportunities. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent the decline exceeds the transaction costs and the costs of borrowing the securities. Since the borrowed financial instruments must later be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of securities to rise further, thereby exacerbating the loss. An unanticipated tender offer for an issuer could also cause a sudden increase in the price of securities sold short. Theoretically, the potential loss of securities sold short is unlimited as there is no ceiling on how far the price of the security may rise. Also, a short seller may be prematurely forced out of a position due to an inability to maintain a loan of the stock that is borrowed to establish the short.

Elizabeth Park has, and may in the future continue to, employ leverage in an attempt to increase the overall returns, but leverage may increase the volatility and the risk of loss. Borrowing money to purchase instruments may provide greater capital appreciation, but at the same time will increase the portfolio's risk of loss with respect to securities financed with debt. The amount of borrowings that the Clients may have outstanding at any time may be large in relation to its capital. In particular, it should be noted that options inherently contain much greater leverage than does a purchase of the underlying security inasmuch as only a small portion of the value of the underlying security is required in order to invest in such options. In addition, the level of interest rates generally, and the rates at which the Clients can borrow in particular will be an expense of the Clients and will therefore affect the operating results of the Clients. Fluctuations in the market value of the portfolio of a heavily leveraged investment have a disproportionately large effect in relation to the return or loss on the investment.

Elizabeth Park often invests in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price to the Clients of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, a Client may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Clients may invest, there is a potential risk of loss by the Clients of their entire investment in such companies.

The Clients do not intend to, but may invest in securities or other financial instruments traded outside the

United States (“Non-U.S. Investments”). Such investments involve considerations and possible risks not typically involved in securities or other financial instruments that trade in the United States (“U.S. Investments”), including instability of some non-U.S. governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividend, interest or other payments) or confiscatory taxation may also affect Non-U.S. Investments. Higher expenses may result from Non-U.S. Investments than would from investments in securities because of the costs that must be incurred in connection with conversions between various currencies and foreign brokerage commissions that may be higher than U.S. Investments. Non-U.S. commodity and securities markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States. Non-U.S. Investments could be affected by other factors not present in the United States, including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

Because certain purchases, sales, and derivative instruments such as options in which the Clients may engage are not traded on an exchange but are instead traded between counterparties based on contractual relationships, Elizabeth Park’s investment strategy will subject the Clients to the risk that a counterparty will default and not perform its obligations under the related contracts. Therefore, the Clients’ exposure to loss in the event of default by its counterparty or counterparties in such transactions may be significant. Such risks may be exacerbated with respect to non-U.S. securities or transactions with non-U.S. counterparties. Although the Clients intend to enter into transactions with counterparties which Elizabeth Park believes to be creditworthy, there can be no assurance that a counterparty will not default and that the Clients will not sustain a loss on a transaction as a result.. For example, if the Clients’ prime broker and custodian were to become insolvent or file for bankruptcy, the Clients could suffer significant losses with respect to any securities held by such firm.

In addition, as a result of increasing interest rates, reserves held by banks and other financial institutions in bonds and other debt securities could face a significant decline in value relative to deposits and liabilities which, coupled with general economic headwinds resulting from a changing interest rate environment, creates liquidity pressures at such institutions. This pressure may be greater for midsized or regional banks that have less diversified customer bases or whose customer bases are concentrated in certain industries, as evidenced by the bank runs on the Silicon Valley Bank Financial Group (“SVB”) and on Signature Bank (“Signature”) causing them to be placed into receivership. Because of the nature of the Clients’ portfolio companies, which generally consist of midsized or regional banks, these investments face liquidity pressure. As a result of this environment, certain sectors of the credit markets could experience significant declines in liquidity, and it is possible that Clients will not be able to manage this risk effectively. It is yet to be determined how the bank runs on SVB and Signature will fully impact other financial instruments and broader economy, as well as the overall performance of its Clients and one or more of its investments.

The Clients may purchase securities of companies in initial public offerings of any equity security (“new issues”) or shortly thereafter. Special risks associated with these securities may include a limited number of interests available for trading, unseasoned trading, lack of investor knowledge of the company, and a limited operating history. These factors may contribute to substantial price volatility for the interests of these companies. The limited number of interests available for trading in some initial public offerings may make it more difficult for the Clients to buy or sell significant amounts of interests without an unfavorable impact on prevailing market prices. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of

these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

Elizabeth Park has and may in the future continue to invest in “mission driven banks” in an inclusive environmental, social and governance (“ESG”) effort. Factors to consider when investing in mission driven banks include but are not limited to: i. size of the bank, ii. community demographic where the target is located, iii. general geographic region in the U.S., iv. location of most “underbanked” Americans, v. areas and cities with racial wealth gaps; vi. measured impact on the bank(s) and, vii. measured impact on the community. The Adviser may not be able to accurately assess whether its investments achieve the mission driven mission, and such investments may not prove to be profitable. Elizabeth Park does not seek to maintain a highly diversified portfolio. Elizabeth Park focuses on a limited number of investments that it can follow closely and no limits are imposed on the concentration of the Clients’ investments in particular securities, industries, or sectors, provided that not more than 25% of a Client’s investments may be invested in securities of any one issuer. This may represent a special risk in that the level of diversification of a Client’s portfolio may be lower than a well-diversified portfolio.

Elizabeth Park or an affiliate has and may continue in the future to, on behalf of itself, or its Clients, invest in securities for which there is no ready market, such as private or restricted securities, or other pooled investment vehicles. In addition, Elizabeth Park may sub-advise such third-party pooled investment vehicles that its Clients invest in, and may receive fees for such advisory services.

Elizabeth Park will rely heavily on the services of the Managing Member. Should Mr. Cummings determine to discontinue managing the affairs of, or withdraw from, Elizabeth Park or should Mr. Cummings die, become incapacitated or, for some other reason, be unable to effectively manage the affairs of Elizabeth Park, the business and results of the operations of the Clients may be adversely affected. In addition, the Managing Member and other affiliates of Elizabeth Park will devote so much of their time and effort to the affairs of the Clients as may, in their judgment, be necessary to accomplish the purposes of the Clients. Such persons may conduct any other business, including any business within the securities industry and serving as fiduciaries thereto, whether or not such business is in competition with or adverse to a Client.

The Clients may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; terrorism; and public health crises, including the occurrence of a contagious disease. To the extent that any such event occurs and has a material effect on global financial markets or specific markets in which the Clients participate (or has a material effect on locations in which the Adviser operates) the risks of loss can be substantial and could have a material adverse effect on the Clients and the shareholders’ investments therein.

Investing in securities involves risk of loss that Clients should be prepared to bear.

Item 9. Disciplinary Information

The Adviser has no legal or disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Elizabeth Park Capital Management, Ltd (the “General Partner” or “GP”), an affiliate of Elizabeth Park that is majority-owned by the Managing Member, serves as general partner to some of the Clients.

In addition, an affiliate of Elizabeth Park serves a minority member of the general partner of a non-Client pooled investment vehicle (the "Other Fund"); Elizabeth Park will not be providing investment advisory services to, or control the investment decisions of, the Other Fund. That said, certain research paid for by the Clients may serve to benefit the Other Fund, for which the Other Fund will have to reimburse the relevant Client. The Adviser does not anticipate that this relationship will create a material conflict of interest with the Clients.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its related persons to put the interests of the Clients before their own interests and to act honestly and fairly in all respects in their dealings with the Clients. All of the Adviser's personnel are also required to comply with applicable federal securities laws. For additional information about the Code, contact Ernest C. Pelaia at 216-292-5711 or ec@elizabethparkcm.com. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers of securities, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of the Client. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, including the Clients. The Adviser maintains written policies and procedures reasonably designed to prohibit the communication of such information to persons who do not have a legitimate need to know such information and to otherwise ensure that the Adviser is acting in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security. The Adviser and its personnel are prohibited from communicating such information with respect to the Clients or using such information for the Clients' benefit.

The Adviser and its related persons are generally prohibited from investing in the same securities that the Adviser or a related person recommends to a Client, because such practices present a conflict where, the Adviser or its related person is in a position to trade in a manner that could adversely affect the Clients. In addition to affecting the Adviser's or its related person's objectivity, these practices by the Adviser or its related persons may also harm the Clients by adversely affecting the price at which the Clients' trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts: the Adviser requires its related persons to pre-clear certain transactions in their personal accounts with the Managing Member or the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on the Client. In addition, the Code prohibits the Adviser or its related persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser's related persons are also required to provide a quarterly certification of transactions in which they engaged. Trading in employee accounts will be reviewed by the Chief Compliance Officer or his delegate and compared with transactions for the Client accounts and reviewed against the restricted securities list.

While generally prohibited, to the extent that the Adviser or a related person or any of their employees own securities that the Adviser also recommends to a Client, such Client's proxies will be voted according to predetermined guidelines rather than subject to the Adviser's (or its related person's) discretion. Please refer to Item 17 for further information regarding the Adviser's proxy voting policy and procedures.

While generally prohibited, to the extent the Adviser buys or sells securities for a Client, at or about the same time that the Adviser or a related person buys or sells the same securities for its own account the Adviser and the related person, if applicable, will do so in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading would result in an economic benefit for the Adviser or its related person to the detriment of the client.

Item 12. Brokerage Practices

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Adviser conducts a periodic review of brokerage activity.

The Adviser receives research or brokerage services from a broker-dealer and/or a third party in connection with Client securities transactions. This is known as a "soft dollar" relationship. Currently, the Adviser has soft dollar arrangements in place. The Adviser limits the use of "soft dollars" to obtain services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934. The research products/services received by the Adviser include, among others, information services on the economy, industries, groups of securities and individual companies, databases, performance measurement reports, attendance at research conferences and certain types of periodicals.

A broker may suggest, or may have an expectation that, the Adviser will execute a particular level of transactions through such broker in order for the Adviser to continue to receive such services. In the event the Adviser were to receive some services that may be used for both research and other, non-research purposes ("mixed-use products/services") the Adviser will assume that the non-research portion of the mixed-use products/services are for its own benefit rather than the benefit of Clients and therefore will make a good faith effort to determine the relative proportion of such mixed-use products/services related to both research and non-research purposes, and will pay the cost of the non-research purpose with its own funds.

When the Adviser uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Adviser receives a benefit because the Adviser does not have to produce or pay for the research, products or services. The Adviser may have an incentive to select or recommend a broker-dealer based on the Adviser's interest in receiving the research or other products or services, rather than on Clients' interest in receiving most favorable execution. The Adviser may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up).

Aggregation of Orders: The Adviser has, and may in the future continue to, aggregate purchase and sale orders of investments held by a Client's account with similar orders being made simultaneously for other accounts or entities if, in the Adviser's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to such Client based on an evaluation that the Client will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of investments for a Client's account will be effected simultaneously with the purchase or sale of like investments for other

accounts or entities. Such transactions may be made at slightly different prices, due to the volume of investments purchased or sold. In such event, the average price of all investments purchased or sold in such transactions may be determined, at the Adviser's sole discretion, and the Client's account may be charged or credited, as the case may be, with the average transaction price.

Allocation of Trades: The Adviser may at times determine that certain investments will be suitable for acquisition by Clients and by other accounts managed by the Adviser, possibly including the Adviser's own accounts or accounts of an affiliate. If that occurs, and the Adviser is not able to acquire the desired aggregate amount of such securities on terms and conditions which the Adviser deems advisable, the Adviser will endeavor in good faith to allocate the limited amount of such securities acquired among the various accounts for which the Adviser considers them to be suitable. The Adviser may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including but not limited to allocations based on relative account sizes, the degree of risk involved in the securities acquired, and the extent to which a position in such securities is consistent with the investment policies and strategies of the various accounts involved.

Item 13. Review of Accounts

The Chief Compliance Officer and the Managing Member regularly review and monitor the Clients' investment portfolios to determine whether positions should be maintained in view of current market conditions. The Adviser's review may consider specific securities held, adherence to investment guidelines and the Clients' performance.

Investors receive reports from the Clients as described in the Clients' Governing Documents.

Item 14. Client Referrals and Other Compensation

The Adviser receives certain research or other services from broker-dealers which can be considered an economic benefit. Receiving the aforementioned research and other services may create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser's interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of the Clients.

In addition, the Clients have, and may in the future continue to, in the discretion of the GP, appoint one or more brokers or placement agents to assist in the placement of interests in a Client ("Interest") (each, a "Placement Agent"). Placement fees payable to Placement Agents in respect of Interests sold by it will be paid out of the fees and allocations payable to Elizabeth Park and the GP, respectively, and will not increase the fees and allocations payable by Investors. Such placement fees will vary depending on the arrangements between the Client and the Placement Agent.

Item 15. Custody

Rule 206(4)-2 promulgated under the Investment Advisers Act (the "Custody Rule") (and certain related rules and regulations under the Investment Advisers Act) imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful). An

investment adviser is deemed to have custody if it or its affiliate serves as a general partner to a limited partnership client of the Adviser.

Elizabeth Park is required to maintain the funds and securities (except for securities that meet the privately offered securities exemption in the Custody Rule) over which it has custody with a “qualified custodian.” Qualified custodians include banks, broker-dealers, FCM and certain foreign financial institutions.

Rule 206(4)-2 generally imposes on advisers with custody of clients’ funds or securities certain requirements concerning reports to such clients (including underlying investors in certain circumstances) and surprise examinations relating to such clients’ funds or securities. However, Elizabeth Park need not comply with such requirements with respect to pooled investment vehicles if the pooled investment vehicle: (i) is audited at least annually by an independent public accountant, and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to the client, or, in certain circumstances, all limited partners, members or other beneficial owners, within 120 days (180 days in the case of a fund of fund adviser) of its fiscal year end. Elizabeth Park intends to rely upon this exception and therefore will be exempt from the Rule 206(4)-2 reporting and examination requirements.

Item 16. Investment Discretion

Investors in the Clients will have no authority to make decisions or participate in the management of or exercise business discretion with respect to the Clients. The authority to make all business decisions (including, most importantly, the selection of securities and execution) for a Client, is entrusted to the complete discretion of Elizabeth Park and the GP, subject to the terms of the relevant Client’s offering documents. Accordingly, no person should invest in a Client unless he or she is willing entrust all aspects of the management of the Client to Elizabeth Park and the GP.

Each Client enters into an investment advisory agreement with Elizabeth Park pursuant to which the Client delegates to Elizabeth Park investment discretion over the Client’s assets.

Item 17. Voting Client Securities

Elizabeth Park is generally responsible for voting proxies with respect to securities held in the Clients. Elizabeth Park has ultimate authority with respect to proxy voting, including: (i) receiving proxy solicitations; (ii) determining whether Elizabeth Park has a material conflict of interest that would interfere with its ability to vote a proxy; (iii) voting (or refraining from voting) in the best interests of each relevant Client, when no such conflict has been identified; and (iv) determining how an identified conflict should be addressed. Elizabeth Park generally seeks to vote all proxies that are timely received; however, Elizabeth Park may refrain (or be precluded) from voting proxies where: (i) the effect of the proposal on a Client’s interests is *de minimis* or the cost of exercising a vote materially outweighs the benefit (e.g., where the person voting is required or voting would limit Elizabeth Park’s ability to engage in subsequent transactions in the subject issuer); (ii) where the securities are no longer held on the meeting date; (iii) where proxies were not received with sufficient time to make an appropriate voting determination and cast a vote; and (iv) where the exercise of voting rights is restricted or prohibited by the terms of the security, by applicable law, or otherwise (e.g., where Elizabeth Park holds an interest in an issuer through participatory notes, no voting right is conferred with respect to the underlying equity).

Elizabeth Park acknowledges its responsibility for identifying material conflicts of interest prior to voting proxies. Relevant personnel of Elizabeth Park are expected to disclose to the CCO any personal conflicts such as director or officer positions held by them, their spouses or close relatives in a soliciting issuer or another party interested in the proxy measure (personnel having such conflicts will be prohibited from participating in or contributing to voting decisions). The CCO will also consider whether Elizabeth Park has any business relationships with a soliciting issuer or another party interested in the proxy measure. The following measures may be employed when a conflict of interest is identified to insulate the voting decision from the conflict: (i) disclosing the conflict to a board of directors responsible for the Client (e.g., the Client's or a feeder fund's board) or the Investors and obtaining voting instructions or consent from such board or Investors; (ii) voting based on the recommendations of an independent third-party such as a proxy voting service; (iii) mirror voting the proxies in the same proportion as the votes of other proxy holders; or (iv) voting in accordance with pre-determined voting criteria, if it involves little or no discretion. In making voting decisions in the absence of a conflict, Elizabeth Park has discretion to take action in the manner it believes to be in the best interests of the relevant Client(s). Elizabeth Park believes that a Client's "best interest" is served by voting in a manner believed to improve the Client's economic interest in the subject security over the long term. That is, each Client's best interest is the common interest that the Client, as an Investor in the soliciting issuer, shares in seeing the value of a common investment increase over time and irrespective of any political or social interests of Elizabeth Park or an Investor.

For additional information about Elizabeth Park's proxy voting policies and procedures and information about how Elizabeth Park voted the Clients' proxies, please contact Ernest C. Pelaia at 216-292-5711 or ec@elizabethparkcm.com.

Item 18. Financial Information

Elizabeth Park does not require nor solicit prepayment of fees per client, six months or more in advance.

Elizabeth Park is not aware of any financial condition that is likely to impair its ability to meet its contractual commitments to its clients.

Elizabeth Park has never been the subject of a bankruptcy petition.