

**MALTESE CAPITAL MANAGEMENT, LLC
(PART 2A OF FORM ADV)**

MALTESE CAPITAL MANAGEMENT, LLC

March 30, 2024

This brochure provides information about the qualifications and business practices of Maltese Capital Management, LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at (212) 486-7300. This information has not been approved or verified by the SEC or by any state securities authority.

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

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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Item 2. Material Changes

The Adviser is required to identify and discuss any material changes made to its brochure since its last annual update. There have been no material changes since the last annual update of the Adviser's brochure made as of January 1, 2023.

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Item 4. Advisory Business

Maltese Capital Management, LLC (the “Adviser”) is an investment adviser with its principal place of business in New York, New York that commenced operations as an investment adviser in 1996 and has been registered with the Securities and Exchange Commission (the “SEC”) since November 17, 2010. The Adviser changed its name in early 2015 from Sandler O’Neill Asset Management, LLC, as previously disclosed in the Adviser’s amendment filing made as of January 1, 2015. Terry Maltese is the principal owner of the Adviser.

The Adviser provides investment advisory services on a discretionary basis to client accounts that are private pooled investment vehicles, including Malta Hedge Fund, L.P., Malta Hedge Fund II, L.P., Malta Phoenix Partners, L.P., and Malta Phoenix Partners, L.P. Class B (each a “Domestic Fund”); and Malta Market Neutral Master Fund, Ltd., Malta Titan Fund, L.P., and Malta Offshore, Ltd. (each an “Offshore Fund”). Maltese Capital Holdings, LLC, an affiliate of the Adviser, serves as the general partner to the Domestic Funds and Malta Titan Fund, L.P. The Domestic Funds and the Offshore Funds are collectively referred to as the “Funds.” The Adviser also provides investment advisory services on a discretionary basis to client accounts that are separately managed accounts (the “SMAs,” and together with the Funds, the “Clients”).

The Adviser provides advice to Clients based on their specific investment objectives, strategies and investment restrictions. The Adviser does not tailor advisory services to the individual needs of investors in the Funds. Investors in the Funds may not impose restrictions on investing in certain securities or certain types of securities. Agreements governing SMAs are negotiated separately, and investment restrictions for the SMAs are included in the governing documents for the SMAs (the “SMA Agreements”).

As of December 31, 2023, the Adviser had approximately \$747 million regulatory assets under management, all of which are managed on a discretionary basis.

Item 5. Fees and Compensation

Asset-Based Compensation

The Adviser is paid an investment management fee on each of the Funds, which ranges from 0.5% (per annum) to 1% (per annum) of the assets of each particular Fund.

Investment management fees are charged to the Funds each fiscal quarter in advance based on their net asset value on the first day of the fiscal quarter. If an investor in a Fund invests other than as of the beginning of the quarter or an investor in a Fund makes an addition to its investment during a quarter the investment management fee will be charged as of the effective date of the investment and will be prorated for the number of months remaining in the quarter. Under certain limited circumstances, these fees are negotiable.

Fees relating to SMAs are negotiated separately, and asset-based fees for SMAs are included in the SMA Agreements.

Performance-Based Compensation

The Adviser and affiliates of the Adviser may be paid a performance-based fee, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a Fund. This performance-based compensation ranges from 10% to 20%, and is subject to a high water mark in each case. Under certain limited circumstances, these fees are negotiable.

Except to the extent the Adviser collects fees via invoice to Fund investors, the Adviser deducts the fees from the Funds by instructing the Fund's custodian.

Fees relating to SMAs are negotiated separately, and performance-based compensation for SMAs is included in the SMA Agreements.

Other Fees and Expenses

In addition to paying investment management fees and performance-based fees, the Funds also bear other investment expenses (e.g., brokerage fees and commissions and interest expense), and all of their other operating expenses, including without limitation legal (including, but not limited to the costs of any litigation or investigation), accounting and consulting expenses, auditing and tax preparation expenses, telephone, news, quotation and computer equipment and services (including the costs of accounting software), dues and subscriptions, travel (e.g., meals, lodging and airfare) and entertainment expenses incurred for research and investment related purposes (including, for the avoidance of doubt, travel (e.g., meals, lodging and airfare) related to research and investment activities), expenses relating to the offer and sale of Fund interests and other expenses related to the Funds (including, without limitation, fees related to regulatory filings and preparation of filings (including, without limitation, Form PF, Section 13 filings, Section 16 filings and other similar regulatory filings), government licensing of Funds, registered office and registration of Funds, anti-money laundering compliance costs (including fees for the engagement of anti-money laundering officers), fees and expenses of the Funds' administrator, director's fees and expenses, corporate secretarial fees, insurance expenses (including premiums for cybersecurity insurance and liability insurance (e.g., insurance plans covering directors, officers and executives) covering Fund directors, the Adviser and its affiliates), Fund formation expenses, database and investor transparency reporting expenses, and entity-level taxes.

To the extent that expenses to be borne by a Fund are paid by the Adviser or an affiliate, the Fund will reimburse such party for such expenses. For additional information on other types of fees or expenses

charged to the Funds, please see the relevant Fund's confidential private placement memorandum and other governing documents.

Fees and expenses relating to SMAs are negotiated separately, and expenses born by the SMAs (which include a pro rata share of certain expenses in common with the Funds) are included in the SMA Agreements.

Please refer to Item 12 of this Firm Brochure for a discussion of the Adviser's brokerage practices.

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

The Adviser and its investment personnel provide investment management services to multiple Clients. The Adviser or its affiliate is paid performance-based compensation by the Clients. In addition, certain Clients have more favorable performance-based compensation arrangements than other Clients. When the Adviser and its investment personnel manage more than one client the potential exists for one client to be favored over another client. The Adviser and its investment personnel could have a greater incentive to favor Clients that pay the Adviser higher fixed fees or performance-based fees.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple Clients and the allocation of investment opportunities. When allocating investment opportunities that are appropriate for more than one Client, the Adviser's policy is to do so on an equitable basis, taking into account a number of factors, which include but are not limited to, the difference in the available net assets, relative exposure to short-term market trends, the investment objectives and investment guidelines or restrictions of each Client, the portfolio positions of the Clients for which participation is appropriate, cash available in each Client, liquidity requirements for payment of redemptions or other purposes, the size of each particular security position, and the anticipated holding period for a particular investment. Similarly, if an order on behalf of more than one Client cannot be fully executed under prevailing market conditions, securities will be allocated among the different Clients on a basis that the Adviser considers equitable. From time to time securities and limited opportunities such as initial public offerings that are appropriate for more than one Client may only be available in small quantities that make it impractical to allocate to all eligible Clients. In such a case, the Adviser will allocate the purchase in such security on a non-pro rata basis if the Adviser believes it is appropriate. While the Adviser endeavors to ensure fair and equitable treatment of all Clients, not all Clients will participate in each limited opportunity, in order to avoid unusually small allocations, or for other factors similar to those described above with respect to allocations generally.

Item 7. Types of Clients

The Adviser's clients consist of private investment funds and separately managed accounts.

Any initial and additional minimum investment amounts are disclosed in the offering memorandum for each Fund and each SMA Agreement.

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

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The Adviser primarily uses fundamental research and analysis in making investment decisions. As part of its fundamental analysis, it creates earnings models for many companies, conducts extensive due diligence and makes qualitative assessments. In addition, from time to time the Adviser will also use various technical analytical tools and approaches as part of its portfolio management. The Clients invest in companies primarily in the financial services industry, predominantly in U.S. publicly-traded securities of bank holding companies, banks, thrift institutions, insurance companies and other financial companies, including, but not limited to, finance companies, mortgage companies, asset managers, homebuilders, REITs and credit card companies, as further described in the applicable Fund's offering memorandum or SMA Agreement. Although the Clients primarily focus on investments in securities of financial institutions, they may also invest in securities of non-financial institutions.

The methods and strategies detailed above may employ the following techniques:

Hedging. The Adviser utilizes significant hedging in an effort to reduce portfolio risk and volatility. Hedging techniques will include the use of short sales, the purchase of puts (on individual stocks or stock indices), and, at times, the maintenance of significant cash and cash equivalent positions.

Buy and Hold. With respect to certain securities, the Adviser may buy such securities and hold them for a relatively long period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

Short Selling. The Adviser engages in short selling strategies for some Clients. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline.

Leverage. From time to time the Adviser may utilize leverage, which involves borrowing funds from brokerage firms, banks and other institutions in order to increase the amount of capital available to be invested.

These methods and strategies involve risk of loss to investors in the Funds and SMAs and such investors must be prepared to bear the loss of their entire investment in a Fund or SMA.

The following material risks are related to the Adviser's investment strategies:

Lack of Diversification. Since a vast majority of each Client's portfolio will be concentrated in the financial services industry, the portfolios of each Client may be subject to more rapid change in value than would be the case if the Adviser were required to maintain a wide diversification among industry groups.

Hedging Transactions. The Adviser expects to utilize significant hedging in order to reduce market risk and volatility. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. To the extent the Adviser's assessment of certain market movements is incorrect, the use of hedging could result in losses greater than if hedging had not been used.

Leverage. Performance may be more volatile if a Client uses leverage.

Short Selling Risk. The Adviser's investment program for some Clients includes short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be

compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

High Portfolio Turnover. The Adviser's strategy may use frequent trading which results in significantly higher commissions and charges to the Clients due to increased brokerage activity, which will offset profits.

Options. In connection with the use of options, there may be an imperfect correlation between the change in market value of a security and the prices of the options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Illiquid Instruments. Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a Client's portfolio.

Sharing of Information. As part of its investment research process, the Adviser communicates with a variety of third parties about investment ideas and analyses. Such third parties may include other investors in the securities markets and the information discussed may include references to specific investments in which the Clients have invested or may in the future invest and other proprietary information of the Adviser. The Adviser shares such information when it believes that doing so will benefit the Clients through the mutual exchange of information and the resultant idea generation and exposure to different perspectives on relevant issuers and/or industries. It is possible that in any particular instance the sharing of such information could be viewed in isolation as harmful to the Clients, though the Adviser believes that, in aggregate, the mutual exchange of information is beneficial to the Clients.

Non-Public Information. From time to time, the Adviser may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, the Clients may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer. These restrictions will limit the Adviser's flexibility to manage the Clients' investments and could result in significant losses.

The following risks are associated with the types of investments primarily made by the Adviser:

Factors Affecting Financial Services Industry.

Banking Supervision and Regulation. Banks and thrifts and their holding companies (collectively, "banking organizations") are subject to an extensive framework of federal and/or state laws and regulations and pervasive supervision by one or more federal and/or state regulators. Such regulatory framework has only increased in complexity and pervasiveness under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). Pursuant to this framework, the

federal and/or state banking agencies have broad investigatory powers over banking organizations, including the authority to require detailed periodic reports and to conduct extensive periodic examinations, as well as broad enforcement powers, including the power to impose substantial fines and other significant penalties (up to, and including, seizure of a depository institution) for violations of law or unsafe and unsound practices.

The impact of this regulatory environment often puts banks and thrifts at a competitive disadvantage compared to less regulated competitors such as finance companies, mortgage banking companies and leasing companies. Moreover, the supervision and regulation of banking organizations is intended primarily for the protection of depositors, the deposit insurance fund of the Federal Deposit Insurance Corporation and the banking system as a whole, but not for the protection of the financial institution's shareholders. Accordingly, the regulatory environment to which banking organizations are subject may negatively impact the value of a shareholder's investment in several ways, including, but not limited to, those set forth below:

Activity Restrictions. Banking organizations are subject to significant activity and investment restrictions. Most banking organizations are not permitted to engage in, directly or indirectly, any activity that is not "closely related" or "incidental" to banking, as defined by applicable law. Banking organizations that qualify as "financial holding companies" under the regulations of the Federal Reserve Board are permitted to engage in additional activities, defined as "financial in nature," under applicable law. However, even this broader category is significantly limited compared to the range of activities a non-banking entity may engage in. Even within the areas in which banking organizations may act, their actions are often subject to prior approval by the applicable banking regulator.

Dividend Restrictions. The ability of a banking organization to pay dividends or make capital distributions is limited by federal and/or state laws, by regulations of applicable bank regulatory agencies, and by principles of prudent bank management. As a result, banking organizations have less latitude to issue dividends than non-banking entities.

Capital Requirements. Banking organizations are subject to strict regulatory capital requirements, which require the organization to maintain certain core capital and risk-based capital ratios and limit the type of assets that qualify as capital. While these regulatory capital requirements protect the financial security of banking organizations, they may also cause organizations to forgo growth and potentially profitable opportunities because of the impact (real or potential) on their capital ratios.

Reserve and Liquidity Requirements. In addition to the capital requirements, banking organizations that are depository institutions are required to comply with (i) reserve requirements that require an institution to maintain cash reserves at least equal to a certain percentage of the total value of all its transactional accounts and non-personal time deposits, and (ii) liquidity requirements that require an institution to maintain cash and other liquid assets at least equal to a certain percentage of the total value of its net withdrawable deposit accounts and borrowings payable in one year or less. As with the capital requirements, the reserve and liquidity requirements could also cause depository institutions to forgo potentially profitable opportunities because of the impact (real or potential) on their reserve or liquidity ratios.

Community Reinvestment Act. Federal law requires all banking organizations that are depository institutions to demonstrate that they are meeting the credit needs of low- and moderate-income borrowers in their communities, as well as investing in, and providing services to, low and moderate income level neighborhoods. Institutions that are deemed by an applicable banking regulator to have failed to satisfy these requirements may face significant difficulty in securing approval for new activities or acquisitions. Thus, depository institutions are subject to community service requirements that are not applicable to other businesses.

Interest Rate Changes and Other Factors Affecting Financial Services Industry. The profitability of most financial institutions is dependent to a large extent upon the institution's net interest income. Accordingly, an institution's business, results of operations and financial condition may be

significantly impacted by changes in the interest rate environment and the institution's ability to manage its assets and liabilities in response to such movements. Results of operations may also be materially affected by national and local economic conditions and real estate cycles and the monetary and fiscal policies of the federal government, particularly with respect to the type and volume of business that an institution does and the institution's exposure to credit losses.

Banks and thrifts face significant competition in making loans and in attracting deposits, both from within the industry and from other financial institutions, such as brokerage firms, credit unions and insurance companies. Also, as the services offered by banks and thrifts expand, such institutions are facing competition from well-established competitors. Competition may also increase as a result of the broadening of regional and national interstate banking powers.

Governmental Interventions. Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the Clients' strategies.

Banking Relationships. The Adviser and the Clients will hold cash and other assets in accounts with one or more banks, custodians or depository or credit institutions (collectively, "Banking Institutions"), which may include both U.S. and non-U.S. Banking Institutions from time to time. The Clients may also enter into credit facilities and have other relationships with Banking Institutions. The distress, impairment, or failure of, or a lack of investor or customer confidence in, any of such Banking Institutions may limit the ability of the Adviser or the Clients to access, transfer or otherwise deal with its assets, draw upon a credit facility, or rely upon any of such other relationships, in a timely manner or at all, and may result in other market volatility and disruption, including by affecting other Banking Institutions. All of the foregoing could have a negative impact on the Clients. For example, in such a scenario, the Clients could be forced to delay or forgo an investment or a distribution, or generate cash to fund such investment or distribution from other sources (including by disposing of other investments or making other borrowings) in a manner that they would not have otherwise considered desirable. Furthermore, in the event of the failure of a Banking Institution, access to a depository account with that institution could be restricted and U.S. Federal Deposit Insurance Corporation ("FDIC") protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to Banking Institutions in other jurisdictions not subject to FDIC protection). In such a case, the Adviser or the Clients may not recover all or a portion of such excess uninsured amounts and could instead have an unsecured or other type of impaired claim against the Banking Institution (alongside other unsecured or impaired creditors). The Adviser does not expect to be in a position to reliably identify in advance all potential solvency or stress concerns with respect to its or the Clients' banking relationships, and there can be no assurance that the Adviser or the Clients will be able to easily establish alternative relationships with and transfer assets to other Banking Institutions in the event a Banking Institution comes under stress or fails.

The following risks relate to global economic conditions and the operations of the Adviser:

Cybersecurity Risk. The information and technology systems of the Adviser and of key service providers to the Adviser and the Clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures designed to manage risks relating to these types of

events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or its client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

Effects of Health Crises and Other Catastrophic Events. Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the Funds' investments and the Adviser's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for client portfolio companies. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Adviser and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

New Regulations Applicable to Private Fund Advisers. In August 2023, the SEC adopted new rules and amendments to existing rules under the Investment Advisers Act of 1940 (collectively, the "Private Fund Adviser Rules") with respect to the regulation of private fund advisers. The Private Fund Adviser Rules are generally expected to have a significant impact on private fund advisers, including by increasing compliance, investor reporting and other costs. To the extent that the private funds managed by the Adviser bear (directly or indirectly) any of those costs associated with the Private Fund Adviser Rules, the amounts will adversely affect performance and may be material.

Item 9. Disciplinary Information

The Adviser has no legal or disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Each of the Funds for which the Adviser or its related person serves as general partner or investment manager has in the past, and may in the future enter into agreements, or “side letters,” with certain prospective or existing investors whereby such investors are subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for a Fund. For example, such terms and conditions can include special lock up/commitment periods, notice periods, management fee/incentive allocation and information rights and such other rights as are negotiated by a Fund and such investor. The modifications are solely at the discretion of a Fund and are, among other things, based on the size of the investor's investment in the Fund or affiliated investment entity, an agreement by an investor to maintain such investment in the Fund for a significant period of time, or other similar commitment by an investor to the Fund. The Adviser also separately negotiates the SMA Agreements, and the SMAs are subject to certain terms and conditions that are more advantageous than those with respect to certain Funds.

The Adviser's managing member, Terry Maltese, has a niece who is also employed by the Adviser. In addition, Mr. Maltese's brother is the managing member of a company that provides some administrative services for the Adviser (but not the Funds or SMAs), and Mr. Maltese's wife serves as a consultant to the Adviser (but not the Funds or the SMAs). The foregoing relationships can be perceived as a conflict of interest.

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. Investors or prospective investors in the Funds and SMAs may request a copy of the Code by contacting Michael Wasserman (the Adviser’s Chief Compliance Officer) by telephone at 212-486-7300, or by email at mwasserman@maltesecap.com. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by the Adviser’s access persons.

The Adviser, in the course of its investment management, comes into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of the Clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person. The Adviser maintains and enforces written policies and procedures, including maintaining an active restricted list, to assure that the Adviser is meeting its obligations to the Clients and remains in compliance with applicable law.

The Adviser requires its access persons to preclear transactions in securities of U.S. financial services companies, initial public offerings, follow-on offerings, thrift bank conversions and limited offerings in their personal accounts with the Adviser’s Chief Compliance Officer, who can deny permission to execute the transaction if such transaction will have a material, adverse economic impact on a Client or for any other reason he deems relevant.

In addition, the Adviser’s Code prohibits the Adviser’s access persons from purchasing in the open market or selling short any security of a U.S. financial services company in a personal account. If an access person otherwise holds securities in a U.S. financial services company, the access person is not permitted to sell any such securities unless he or she first receives preclearance approval from the Adviser’s managing member and Chief Compliance Officer, who generally will deny permission if such sale would have a material, adverse effect on the Clients or if the Clients are in the process of buying or selling such securities. Each access person of the Adviser must ensure that all transaction data from his or her brokerage accounts is either captured by electronic feed by the Adviser’s compliance software or arrange for duplicate copies of month-end brokerage statements to be sent to the Adviser. Trading in access persons’ accounts is reviewed by the Adviser’s compliance team and compared with the Adviser’s restricted list, and any required preclearances.

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 among others, the brokers' ability to effect such transactions, their facilities, reliability and financial responsibility, and the provision or payment (or the rebate to the Client for payment) of the costs of brokerage or research products or services, including access to meetings with management of companies and investment ideas, which the Adviser considers to be of benefit to the Client and the Adviser. 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. Accordingly, if the Adviser determines in good faith that the commissions charged by a broker are reasonable in relation to the value of the brokerage and research products or services provided by such broker, the Clients may pay commissions to such broker in an amount greater than the amount another broker might charge. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a Client can be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. Select employees of the Adviser generally meet quarterly to evaluate the broker-dealers used by the Adviser to execute trades for the Clients using the foregoing factors and any other factors that the Adviser determines relevant.

The Adviser receives research or other products or services other than trade execution services from broker-dealers and/or third parties in connection with securities transactions for the Clients. This is known as a "soft dollar" relationship. The Adviser limits the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

The use of brokerage commissions (or markups or markdowns) from transactions for the Clients ("Commissions") to obtain research and brokerage products and services raises potential conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This could create an incentive for the Adviser to select or recommend a broker-dealer based on the Adviser's interest in receiving those products and services. Nonetheless, the Adviser will seek to execute client transactions with best execution under the circumstances.

The Adviser on limited occasions causes Clients to pay Commissions to certain broker-dealers that are higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for a Client.

Under Section 28(e), research products or services obtained with soft dollars generated by one Client may be used by the Adviser to service accounts of other Clients. The Adviser does not seek to allocate soft dollar benefits to a Client proportionately to the soft dollar credits the Client generates.

During the Adviser's last fiscal year, as a result of Commissions, the Adviser and/or its related persons acquired research reports (including market research); certain financial newsletters and trade journals; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; services related to the execution, clearing and settlement of securities transactions and functions incidental thereto; trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; and routing settlement instructions.

In determining whether to direct Commissions to particular broker-dealers, select employees of the Adviser generally meet quarterly to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the Commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer.

From time to time the Adviser participates in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to one or more of the Clients. The Adviser places portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer solely as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs. This practice creates a conflict of interest because the Adviser could have an incentive to select a broker-dealer based on its interests in receiving such recommendations or capital introduction opportunities. Nonetheless, the Adviser will seek to execute client transactions with best execution under the circumstances.

The Adviser will determine whether the purchase or sale of a security is appropriate with regard to each of the Clients. The Adviser often will, but is not obligated to, purchase or sell such a security on behalf of such Clients with an aggregated order, when such aggregation is expected to be in the best interest of all participating Clients. When an aggregated order is completely filled, the Adviser typically allocates the securities purchased or proceeds of sale pro rata among the participating Clients based on predetermined allocation percentages. Adjustments or changes are made under certain circumstances consistent with the Adviser's allocation principles. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating Clients will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to the Clients. Depending on the investment strategy pursued and the type of security, this may or may not result in a pro rata allocation to all participating Clients.

Item 13. Review of Accounts

The portfolio of each Client is reviewed by the Adviser's managing member and research analysts on an ongoing basis to determine whether securities positions should be maintained in view of current market conditions, adherence to investment objectives, and restrictions and the performance of each Client. The Adviser's finance team also reviews the portfolio on an ongoing basis.

Each investor in a Fund receives reports pursuant to the terms of each Fund's offering memorandum. Each investor in an SMA receives reports pursuant to the terms of the relevant SMA Agreement.

Item 14. Client Referrals and Other Compensation

The Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements could 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 results from time-to-time in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and higher transaction costs than would otherwise be obtainable by the Adviser on behalf of the Clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

The Adviser makes cash payments to third-party solicitors for referrals of clients or private fund investors. When applicable, cash payments for client or investor solicitations will be structured to comply fully with the requirements of Rule 206(4)-1 under the Investment Advisers Act of 1940, as amended, and related SEC staff interpretations. The Adviser’s arrangements with third-party solicitors vary. Any compensation paid pursuant to these arrangements creates an incentive for the third-party solicitor to recommend the Adviser, resulting in a material conflict of interest.

The Adviser and an affiliate of the Adviser are deemed to have 'custody' of the Funds' assets. Rule 206(4)-2 under the Advisers Act (the "Custody Rule") imposes certain requirements on registered investment advisers who have actual or deemed custody of client assets. However, the Adviser is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that: (i) each Fund be audited in accordance with U.S. generally accepted accounting principles on an annual basis; (ii) the independent public accountant conducting the audit is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board; and (iii) audited financial statements will be distributed to each investor in the Funds within 120 days of the end of each Fund's fiscal year. The Advisor does not have custody with respect to the SMAs.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to the Clients.

The Adviser enters into an investment management agreement or other agreement with each Client that sets forth the scope of the Adviser's discretion.

The Adviser has the authority to determine (i) the securities to be purchased and sold for the Clients (subject to restrictions on its activities set forth in the applicable investment management agreement, offering memorandum, SMA Agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the Clients. Because of the differences among Clients, including but not limited to differences in the available net assets, relative exposure to short-term market trends, the investment objectives and investment restrictions of each Client, the portfolio positions of the Clients for which participation is appropriate, cash available to each Client, liquidity requirements for payment of redemptions or other purposes, the size of each position and the anticipated holding period for a particular investment, there are differences among Clients in invested positions and securities held. Allocations of orders among the Clients, including among Clients eligible to participate in initial public offerings (IPOs) and secondary offerings, must be made in a fair and equitable manner.

The Adviser engages in rebalancing transactions on behalf of Clients so that, after withdrawals or contributions have occurred or are anticipated to occur, the portfolio compositions of similarly managed Clients remain substantially similar. It is the general practice of the Adviser to rebalance among Clients in the open market. The Adviser also effects cross transactions between Clients for rebalancing and other reasons, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two Clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both Clients. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. The Adviser will only engage in a cross transaction between Clients when the Adviser has determined that the cross transaction is in the best interest of each Client. Cross transactions between Clients are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker, unless consent has been obtained based upon written disclosure of the capacity in which the Adviser or its affiliates will act.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors occur, the Adviser's policy is to correct or reverse the error as soon as practicable. The Adviser has discretion to resolve a particular error in any manner that it deems appropriate and consistent with the above stated policy. Unless otherwise agreed to between the Adviser and each Fund, the Adviser will not ordinarily be responsible for losses by Funds unless caused by the gross negligence, bad faith or willful misconduct of the Adviser. As a result of these provisions, the Funds (and not the Adviser) will benefit from any net gains resulting from trade errors and will be responsible for any net losses (including additional trading costs) resulting from trade errors and similar human errors, absent bad faith, gross negligence, or willful misconduct. The Adviser will reimburse the Funds for losses for which the Adviser is responsible under the standard of care described in this paragraph. Given the large volume of transactions executed by the Adviser on behalf of the Funds, investors should assume that trading errors (and similar errors) will occur and that the Funds will be responsible for any resulting losses unless the Adviser is responsible under the standard of care described in this paragraph. Agreements governing SMAs are negotiated separately, and the standard of care and treatment of losses for the SMAs are included in the SMA Agreements.

Item 17. Voting Client Securities

The Adviser complies with its proxy voting policies and procedures, that are designed to ensure that such proxies are voted in the best interests of the Clients. As more fully disclosed in the Adviser's proxy voting policies and procedures, the policies and procedures distinguish between routine and non-routine matters and set forth general policies regarding how the Adviser will vote proxies based on this distinction, as well as other factors. In limited circumstances, the Adviser will refrain from voting proxies (or affirmatively decide not to vote) where the Adviser determines that not voting is in the best interests of the client.

If a material conflict of interest between the Adviser and a Client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in its proxy voting policies and procedures is in the best interests of the Client or will take some other appropriate action.

Investors in the Funds and SMAs may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted proxies by contacting Michael Wasserman (the Adviser's Chief Compliance Officer) by email at mwasserman@maltesecap.com or by telephone at (212) 486-7300.

Item 18. Financial Information

This item is not applicable.

Item 19. Requirements for State-Registered Advisers

Because the Adviser is not a state-registered adviser and is not in the process of registering with any state securities authority, Item 19 does not apply.