

Item 1: Cover Page

Strategic Value Bank Partners



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Part 2A of Form ADV (The “Brochure”)

March 2023

This Brochure provides information about the qualifications and business practices of Strategic Value Bank Partners LLC and Strategic Value Private Partners LLC (collectively “Strategic Value Bank Partners” or “Adviser”). If you have any questions about the contents of this Brochure, please contact Mike Oberhaus (“Chief Compliance Officer”) at 216-282-0704 or mike@strategicbankpartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Strategic Value Bank Partners is also available on the SEC’s website at www.adviserinfo.sec.gov. Strategic Value Bank Partners’ CRD# is 282228.

Item 2: Material Changes

In accordance with requirements of the SEC, Strategic Value Bank Partners compiled this Brochure to provide our current and prospective clients with clearly written, meaningful, current disclosure of its business practices, conflicts of interest, and the background of its advisory personnel. All recipients of this Brochure are encouraged to read it carefully in its entirety.

This Item of the Brochure will discuss only material changes that are made to the Brochure and provide clients with a summary of such changes. Since our last Brochure dated March 2022, Strategic Value Bank Partners updated its Assets Under Management in Item 4.

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Item 4: Advisory Business

Strategic Value Bank Partners LLC is an Ohio limited liability company. Strategic Value Bank Partners LLC commenced business operations in August 2015. The principal owners of Strategic Value Bank Partners LLC are Martin Adams and Umberto Fedeli.

Strategic Value Bank Partners conducts its advisory business through affiliated entities. Specifically, Strategic Value Bank Partners LLC and Strategic Value Private Partners LLC serve as the general partners (“General Partners”) of privately placed pooled investment vehicles (together “Affiliated Entities”), which are not registered investment advisers. Instead, the Affiliated Entities rely on Strategic Value Bank Partners’ registration in accordance with the SEC guidance (Strategic Value Bank Partners LLC and Affiliated Entities together “Strategic Value Bank Partners”). See Item 10. This Brochure describes the business practices of Strategic Value Bank Partners, as a single advisory business.

Strategic Value Bank Partners provides discretionary investment advisory services to the privately placed pooled investment vehicles (“Fund” or “Funds” collectively, the “Clients”). Strategic Value Bank Partners manages both open-end and closed-end Funds.

The Funds are offered exclusively to individuals and other persons who qualify as “accredited investors” under Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”), and “qualified clients” as defined under Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “Act”) and are therefore not required to register as investment companies with the SEC in accordance with the exemption set forth in Section 3(c)(1) of the Investment Company Act of 1940.

Strategic Value Bank Partners’ investment advisory services consist of identifying and evaluating community bank investment opportunities, negotiating the terms of investments, managing and monitoring investments and ultimately monetizing such investments. Strategic Value Bank Partners makes direct equity investments. A complete description of Strategic Value Bank Partners’ advisory services is detailed in the applicable offering memorandum and investment management agreement (“Governing Documents”).

Investors and prospective investors (also referred herein as “Limited Partners”) in each Fund should refer to the Governing Documents of that Fund for information on the investment objectives and investment restrictions with respect to that Fund. There can be no assurance that any of the Funds’ investment objectives will be achieved. As such, Strategic Value Bank Partners’ services are not tailored to the individualized needs of any particular investor in the Funds. Since Strategic Value Bank Partners does not provide individualized advice to investors (and an investment in the Funds does not, in and of itself, create an advisory relationship between the investor and the Adviser), investors must consider whether a particular Fund meets their investment objectives and risk tolerance prior to investing.

Strategic Value Bank Partners does not participate in wrap fee programs.

As of December 31, 2022, Strategic Value Bank Partners advises approximately \$512,209,664 on a discretionary basis. Strategic Value Bank Partners does not manage assets on a non-discretionary basis.

Item 5: Fees and Compensation

The fees and expenses with an Adviser are set forth and agreed to in each Client’s Governing Documents. Investors and prospective investors must carefully review the Governing Documents for specific fees and expenses applicable to their investment.

Management Fee:

In consideration for its services to the open-end Fund, Strategic Value Bank Partners is generally entitled to a management fee at an annual rate of 1.5% of each Limited Partner’s capital account balance, calculated and paid the first business day of each calendar quarter. Upon any Limited Partner’s capital contribution, the pro rata portion of the Management Fee attributable to the newly contributed capital is paid to the General Partner. Upon any withdrawal

of all or any portion of such Limited Partner's capital account, the unearned pro rata portion of the Management Fee attributable to the amount withdrawn is repaid to such Limited Partner. Certain investors may have access to a Founder Class, which may offer preferential terms in the form of lower fees.

In consideration for its services to the closed-end Funds, Strategic Value Bank Partners is generally entitled to a management fee at an annual rate of 1.5% of the Fund's net invested capital based on the cost basis of the Fund's non-cash investments (the "Management Fee"). The Management Fee will be an Operating Expense and will be paid quarterly in advance.

The General Partner, at its sole discretion, may waive or alter the management fee with respect to certain Limited Partners including, but not limited to, those that are affiliated with the General Partner.

Performance Fee:

In the context of the open-end Fund, subject to certain terms and limitations disclosed in the Governing Documents, Strategic Value Bank Partners or its affiliate is generally entitled to receive performance-based compensation (the "Performance Fee") in an amount equal to 20% of the net capital appreciation attributable to each Limited Partner's capital account in the Funds (after considering expenses of the Funds, including any Management Fees). The Performance Fee related to general capital (liquid securities) is reallocated from the Limited Partner to the General Partner annually, on December 31, or at the time the Limited Partner withdraws its capital before year-end. The Performance Fee related to designated investments (illiquid securities) will be reallocated from the Limited Partner to the General Partner upon a realization event. The realization event, with respect to each designated investment, is either the sale/liquidation of the investment or the determination by the General Partner that the investment no longer qualifies as a designated investment.

The Performance Fee is subject to what is commonly known as "high-water mark". That is, if the general capital investments underperform during a calendar year, the net underperformance will be recorded and carried forward to future calendar years (such amount is referred to as the "Loss Carryforward"), and Strategic Value Bank Partners will not receive the Performance Fee for future calendar years until the Loss Carryforward amount has been recovered (i.e., when the Loss Carryforward amount has been exceeded by the cumulative net outperformance in the calendar years following the Loss Carryforward). Once the Loss Carryforward has been recovered, the Performance Fee shall be based on the excess net capital appreciation over the Loss Carryforward amount, rather than on all net capital appreciation. The "high-water mark" applies to each designated investment and the performance fee can only be recognized upon a realization event. The "high-water mark" procedure prevents Strategic Value Bank Partners from receiving the Performance Fee for net capital appreciation that simply restores previous underperformance and is intended to ensure that the Performance Fee is based on the long-term net investment returns of the Fund.

In the context of the closed-end Funds, Strategic Value Bank Partners is entitled to a 15% carried interest, payable after Limited Partners receive their original investment contributions. The carried interest payment structure prevents Strategic Value Bank Partners from receiving a performance fee until the investor's contributed capital is returned.

Strategic Value Bank Partners may enter into side letter agreements with certain Limited Partners allowing for different terms on their investment in the Funds, including lower compensation arrangements and different liquidity terms. Certain investors may have access to a Founder Class, which may offer preferential terms in a form of lower fees. Current and prospective investors should carefully review all fees charged by Strategic Value Bank Partners and its affiliates.

Strategic Value Bank Partners deducts fees directly from the Funds. Strategic Value Bank Partners renders its services to the Funds at its own expense and is responsible for its overhead expenses including: office rent, utilities, furniture and fixtures, stationery, secretarial/internal administrative services, employee salaries and bonuses, entertainment expenses, employee insurance and payroll taxes.

Other Expenses Charged to the Clients:

Limited Partners are subject to the following expenses associated with their investments in the Funds, in addition to the Management Fee and Performance Fee described above: expenses of the organization of the Funds (including legal and accounting fees, travel, “blue sky” filing fees and expenses and out-of-pocket expenses); all costs and expenses related to its investment program, including, without limitation, expenses related to consultants, brokerage, investment banker’s fees, commitment fees, broken deal expenses, proxies, underwriting and private placements, service contracts for quotation equipment and related hardware and software, research, industry and investor conferences (including associated travel expenses); trade-publications; brokerage commissions; directors and officers liability and other insurance, interest on debit balances or borrowings; custody fees, liquidating expenses and any withholding or transfer taxes imposed on the Funds. The Limited Partners also bear all out-of-pocket costs of the administration of the Funds, including entity filing fees and taxes, regulatory compliance costs (including consultants), accounting, tax preparation, audit and legal expenses, bank fees, costs of any litigation or investigation involving the Fund’s activities, costs associated with reporting and providing information to existing Limited Partners and any other expenses reasonably related to the purchase, sale or transmittal of Client’s assets.

A full description of the fees and expenses is contained in applicable Governing Documents governing the relationship between Strategic Value Bank Partners and the Funds.

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

As described above, Strategic Value Bank Partners or its affiliates receive performance-based compensation in the form of the Performance Fee, which is calculated based on realized and unrealized gains on Fund investments. For the open-end Fund, the performance fee on the general capital is calculated on realized and unrealized gains on Fund investments, while the performance fee on the designated investments is calculated only on realized gains on Fund investments. For the closed-end Funds, the performance fee is calculated only on realized gains, after 100% of Limited Partner’s capital is distributed.

Performance-based fees, in general, may create an incentive for Strategic Value Bank Partners or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor one pooled investment vehicle over another relating to the allocation of investment opportunities. To address these potential conflicts of interest, Strategic Value Bank Partners implements policies and procedures to ensure that all clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

Item 7: Types of Clients

Strategic Value Bank Partners provides discretionary investment management and advisory services to privately placed pooled investment vehicles suitable for institutional and other sophisticated investors.

Strategic Value Bank Partners has a \$1,000,000 initial subscription and \$100,000 additional subscription minimum to invest in the open-ended pooled investment vehicle. Strategic Value Bank Partners has a \$1,000,000 minimum investment requirement in the closed-ended pooled investment vehicle. Strategic Value Bank Partners may elect to accept a lesser amount in its sole discretion.

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

Methods of Analysis and Investment Strategies

Strategic Value Bank Partners’ objective is to achieve long-term wealth creation through investments in community banks and other banking institutions. Strategic Value Bank Partners utilizes a bottom-up fundamental analysis to create a concentrated portfolio of attractively-positioned bank investments. Strategic Value Bank Partners invests in publicly-traded listed US stocks, over-the-counter US stocks, privately-held companies, and other illiquid investments. Strategic Value Bank Partners invests using a value-driven methodology to target companies it believes are trading at a significant discount to their intrinsic value. Strategic Value Bank Partners will focus on identifying investments with

solid fundamentals whose securities it believes to be undervalued. Strategic Value Bank Partners determines intrinsic value, through a defined and rigorous analytical process that encompasses numerous valuation techniques.

Summary of Certain Risk Factors

Investing in securities and other financial instruments involves risk of loss that all clients should be prepared to bear. The management style offered by Strategic Value Bank Partners is not intended as a complete investment program and may not be suitable for all clients. It is designed for sophisticated individuals and institutions that fully understand and can bear the risks associated with Strategic Value Bank Partners' investment strategies. No guarantee or representation is made that Strategic Value Bank Partners will achieve its investment objectives.

The following is a summary of certain of the more significant risks associated with Strategic Value Bank Partners' investment strategies.

General

The Funds and the General Partner have limited operating history. The Fund's investments involve a high degree of risk and may be considered speculative. Purchase of an Interest is not intended as a complete investment program. The Funds are for sophisticated investors who can accept a high degree of risk in their investment, do not need regular current income, and can accept a potential impairment of their invested capital contribution. Each prospective Investor should make such investigation and evaluation of such risks as it concludes is appropriate.

Valuation Risk

The Funds may use internal valuation methods for certain investments that are not publicly traded or have limited trading volumes. The valuation marks estimated by the General Partner may result in a valuation that differs from the value the Funds are ultimately able to realize. All internal valuations of portfolio investments are made in good faith by the General Partner and consistent with the guidelines established and described in Strategic Value Bank Partner's Valuation Policy.

Equity Investments

The Funds will invest in equity securities including common stocks, preferred stocks, convertible securities and warrants. These securities may be traded on major stock exchanges, the NASDAQ (National Market System, small cap and bulletin board), over-the-counter exchanges, regional stock exchanges, or exclusively privately-held. Although equity securities have a history of long-term growth in value, their prices fluctuate based on changes in the issuer's financial condition, future prospects, and overall market and economic conditions. There is no limitation on the types or sizes of banks and other banking institutions in which the Funds may invest if the General Partner believes they present opportunities for capital appreciation. The Funds may invest not only in securities of issuers with large market capitalizations, but also in securities of mid-cap, small-cap, micro-cap and privately-held companies. Smaller companies often have limited product lines, markets or financial resources, and may depend on only a few key persons for management. The securities of such companies may be subject to more volatile stock price fluctuations than the securities of larger, more established companies, both because the securities typically are traded in lower volume and because the issuers typically are more subject to changes in earnings and prospects.

Concentration of Investments

The Limited Partnership Agreement imposes few limitations on the types of investments the Funds may make, the size of the companies in which the Funds may invest, or the concentration of its investments. The General Partner expects the open-end Fund, to own between 10 to 35 positions. Each position is expected to not exceed 15% of the Fund's net asset value, measured at the time the position is established. The General Partner expects the close-end Fund to own between 10 to 25 positions. Each position is expected to not exceed 20% of the Fund's committed capital. At times, the Funds may hold a large percentage of capital in cash or cash-equivalent securities while waiting for better investment opportunities.

Small Capitalization Companies

Securities of small capitalization companies (commonly referred to as “micro-cap” and “small-cap” companies) can be more volatile in price than those of larger capitalized, more established companies. The securities of small capitalization and recently organized companies may pose greater investment risks because such companies may have limited product lines, distribution channels and financial and managerial resources. The equity securities of small capitalization companies are often traded over-the-counter or on regional exchanges and may not be traded in the volumes typical on a national securities exchange. In trading over-the-counter securities, broker-dealers negotiate directly with one another since such securities are not considered large or stable enough to trade on a major exchange. Such securities tend to trade infrequently, making the bid-ask spread larger than securities traded on a major exchange. Consequently, the Funds may be required to dispose of such securities or cover a short position over a longer (and potentially less favorable) period than is required to dispose of or cover a short position with respect to the securities of larger, more established companies. Investments in small capitalization companies may also be more difficult to value than other types of securities because of the foregoing considerations as well as lower trading volumes. Investments in companies with limited operating histories are more speculative and entail greater risk than do investments in companies with an established operating record. Additionally, transaction costs for these types of investments are often higher than those of larger capitalization companies.

Short Sales

The Funds may make short sales in securities to hedge its exposure. Since the seller in effect profits from a decline in the price of the securities sold short without the need to invest the full purchase price of the securities on the date of the short sale, returns will tend to increase more when the securities sold short decrease in value, and to decrease more when the securities sold short increase in value, than would otherwise be the case if the seller had not engaged in such short sales. Short sales theoretically involve unlimited loss potential, as the market price of securities sold short may continuously increase, although the Funds may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions the Funds might have difficulty purchasing securities to meet its short sale delivery obligations and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

For hedging strategies, there can be no guarantee of a correlation between price movements in the hedging vehicle and the portfolio security being hedged. A lack of correlation could result in a loss on both the hedged security and the hedging vehicle so that the Funds’ return might have been better had hedging not been attempted. In addition, a decision as to whether, when, and how to hedge involves the exercise of skill and judgement, which are different than those needed to select portfolio securities, and even a well-conceived transaction may be unsuccessful because of market behavior. If the General Partner is incorrect in its forecasts regarding market conditions, price fluctuations, or other relevant factors, the Funds may be in a worse position than if the Funds had not engaged in the hedging transactions.

Fixed Income Investments

Fixed income securities are subject to the risk of an issuer’s ability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). The market values of fixed income securities tend to vary inversely with the level of interest rates. Yields and market values of fixed income securities fluctuate over time, reflecting not only changing interest rates but the market’s perception of credit quality and the outlook for economic growth and inflation.

Below investment grade debt securities, commonly referred to as “high yield bonds” or “junk bonds,” are speculative and involve a greater risk of default or price changes due to changes in the issuer’s creditworthiness than higher rated securities. The Funds may invest in non-performing, “distressed” debt – high yield bonds issued by entities that have already indicated an inability to pay outstanding interest or principal. The value and liquidity of these instruments may be diminished by adverse publicity and investor perceptions. In addition, the ultimate recovery for holders of such bonds often depends upon the resolution of complex legal questions, determined in the context of bankruptcy

reorganization. These securities often are contractually or structurally subordinated in right of payment to prior claims of banks or other senior lenders and will typically be unsecured.

Because defaulted high yield securities are frequently traded only in markets where the number of potential purchasers and sellers, if any, is limited, the ability of the Funds to sell these securities at their fair value either to meet redemption requests or to respond to changes in the financial markets may be limited. Thinly traded high yield securities may be more difficult to value accurately for determining the Fund's net asset value.

Securities of Financially Distressed Companies

Investing in assets, liabilities (such as high-yield debt) or equity of companies that are, or appear to be, in financial distress or emerging from financial distress, including companies that have undergone or are undergoing major restructurings or bankruptcy reorganizations and companies that the General Partner anticipates are likely to undergo such restructurings or reorganizations involves a high degree of risk. At times there is very limited liquidity in such securities. If the Fund is required to sell such securities to fund withdrawals, it may incur substantial losses. The General Partner may require Limited Partners to take an illiquid investment in kind to avoid selling such securities at disadvantageous times or for any other reason. Strategic Value Bank Partners retains the right to place illiquid securities ("Designated Investments") into Side Pocket accounts to insure the orderly management of capital withdrawals and maximization of investment value.

If the Funds invest in securities of a company that becomes subject to a bankruptcy proceeding, the investment will be subject to applicable bankruptcy statutes. Realization of capital appreciation may depend on the successful implementation of reorganization plans and such an investment will also involve a high degree of "control risk." Generally, the Funds will not be able to control the pace or outcome of the case. Discretionary bankruptcy classifications, limitations on trading in claims, litigation, delays and other unpredictable events may significantly reduce the value of the Fund's investment regardless of the General Partner's accuracy as to the underlying value of the enterprise. Litigating any such lawsuit would be costly to the Funds and distract the General Partner from its other duties to the Funds.

Exchange-Traded Funds

The Funds may transact in exchange-traded funds ("*ETFs*"), which are a type of index funds bought and sold on a securities exchange, for hedging purposes. An ETF trades like common stock and represents a fixed portfolio of securities designed to track a particular market index. The Funds could purchase an ETF to temporarily gain exposure to a portion of the U.S. market while awaiting purchase of underlying securities. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (a) the risk that their prices may not correlate perfectly with changes in the underlying index; and (b) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable. An exchange-traded sector funds may also be adversely affected by the performance of that specific sector or group of industries on which it is based.

Convertible Securities, Rights and Warrants

All of the risks of equity and fixed income securities and options are applicable to convertible securities. Investments in warrants involve certain risks, including the possible lack of a liquid market for resale, potential price fluctuations as a result of speculation or other factors, all of the risks of the underlying security and the failure of the price of the underlying security to reach or have reasonable prospects of reaching a level at which the warrant can be prudently exercised, in which event the warrant may expire without being exercised, resulting in a loss of the Fund's investment therein.

Like other debt securities, the market value of a convertible debt security tends to vary inversely with the level of interest rates. A convertible security may be subject to redemption at the option of the issuer at a price established in the instrument governing the convertible security. If a convertible security held by the Funds is called for redemption,

the Funds will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party.

In the case of warrants, price movements in the underlying security are generally magnified in the price movements of the warrant. This effect would enable the Funds to gain exposure to the underlying security with a relatively low capital investment but increases the Fund's risk in the event of a decline in the value of the underlying security and can result in a complete loss of the amount invested in the warrant. In addition, the price of a warrant tends to be more volatile than, and may not correlate exactly to, the price of the underlying security. If the market price of the underlying security is below the exercise price of the warrant on its expiration date, the warrant will generally expire without value. Investing in warrants can provide a greater potential for profit or loss than an equivalent investment in the underlying security, and, thus, can be a speculative investment. The value of a warrant may decline because of a decline in the value of the underlying security, the passage of time, changes in interest rates or in the dividend or other policies of the company whose equity underlies the warrant or a change in the perception as to the future price of the underlying security, or any combination thereof.

Highly Volatile Markets

The prices of the Fund's investments can be highly volatile. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments and interest rate-related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Funds are also subject to the risk of the failure of the stock exchanges on which their positions trade or of their clearinghouses.

Economic Conditions

Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect the Fund's investments and prospects materially and adversely. None of these conditions is within the General Partner's control and it may not anticipate these developments. These factors may affect the volatility of securities prices and the liquidity of the Fund's investments. Unexpected volatility or illiquidity could impair the Fund's profitability or result in losses.

Force Majeure

Clients' investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design or construction, accidents, demographic changes, government macroeconomic policies, social instability). Some force majeure events may adversely affect the ability of any such parties to perform their obligations until they are able to remedy the force majeure event. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on client investments. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally. Strategic Value is not able to predict the extent, severity or duration of the effect of force majeure events or quantify the impact that these events may have on its clients or their investments.

Limited Liquidity of Some Investments

Some of the securities in which the Funds invest may be relatively illiquid, either because they are thinly-traded or privately-held, because they are traded in the over-the-counter market or on a regional exchange, or because they are subject to transfer restrictions. The Funds may not be able to promptly liquidate those investments if the need should arise, and its ability to realize gains, or to avoid losses in periods of rapid market activity, may therefore be affected. Strategic Value Bank Partners retains the right to place illiquid securities ("Designated Investments") into Side Pocket accounts to insure the orderly management of capital withdrawals and maximization of investment value. In addition,

the value assigned to such securities for purposes of valuing Interests and determining net profits and net losses may differ from the value the Funds is ultimately able to realize.

Insolvency of Brokers and Others

The Funds are subject to the risk that the brokerage firms that execute its trades, the clearing firms that such brokers use, or the clearing houses of which such clearing firms are members, become insolvent. In such event, the assets in the Fund's account may become subject to the claims of general creditors of any such insolvent brokerage firm.

Item 9: Disciplinary Information

Strategic Value Bank Partners has no legal or disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Strategic Value Private Partners, LLC ("Relying Adviser") serves as a General Partner with respect to one or more of the Funds. While Strategic Value Bank Partners and the Relying Adviser have been organized as separate legal entities, they collectively conduct a single investment advisory business. Accordingly, the Relying Adviser relies and/or will rely on Strategic Value Bank Partners' investment adviser registration instead of separately registering as an investment adviser with the SEC under the Advisers Act.

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

Code of Ethics and Personal Trading

Strategic Value Bank Partners has adopted a written Code of Ethics (the "Code") predicated on the principle that Strategic Value Bank Partners owes a fiduciary duty to its clients. The Code is designed to address and avoid potential conflicts of interest, and is applicable to all officers, managing members, partners or employees of Strategic Value Bank Partners who are deemed to be an access person, (the "Employees"), each Employee's spouse, minor children and other family members living in his or her household (the "Related Persons"), as well as each other individual designated in writing by a compliance officer as being subject to all or a portion of the compliance procedures or policies adopted by Strategic Value Bank Partners (collectively the "Access Persons"). Strategic Value Bank Partners requires its Employees to act in clients' best interests, abide by all applicable regulations, and avoid any action that is, or could even appear to be, legally or ethically improper.

Strategic Value Bank Partners requires pre-clearance before purchasing an IPO or limited offering (i.e., private placement); requires periodic reporting of Access Persons' personal securities transactions and all holdings; places other restrictions on Employee personal trading; and requires prompt internal reporting of Code violations. Strategic Value Bank Partners endeavors to maintain current and accurate records of all personal securities accounts of its Access Persons to monitor all such activity. A copy of Strategic Value Bank Partners' Code is available upon request to Mike Oberhaus ("Chief Compliance Officer") at 216-282-0704 or mike@strategicbankpartners.com.

Certain transactions in which Strategic Value Bank Partners engages may require, for either business or legal reasons that no Access Person trade in the subject securities for specified time periods. Such securities will appear on a list (the "Restricted List") that will be circulated to all Access Persons. No Access Person may engage in any sort of trading activity with respect to a security or a derivative thereof on the Restricted List without obtaining prior written approval from Mike Oberhaus, Chief Compliance Officer.

Item 12: Brokerage Practices

General

Strategic Value Bank Partners has complete investment and brokerage discretion over Funds transactions and can direct what brokers and custodians are utilized to hold Funds assets and execute trades. Strategic Value Bank Partners considers a number of factors in selecting a broker-dealer to execute transactions and determining the reasonableness of broker-dealer's compensation. Such factors include net execution price, access to liquidity, reputation, stability,

efficiency of execution and error resolution. In selecting a broker dealer to execute transactions and determining the reasonableness of the broker-dealer compensation, Strategic Value Bank Partners need not solicit competitive bids and does not have an obligation to seek the lowest commission cost. Strategic Value Bank Partners conducts monthly reviews of brokerage and commission activity.

If Strategic Value Bank Partners buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, Strategic Value Bank Partners would place an aggregate order with the broker on behalf of all such clients to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy.

Research Benefits

Research and other products and services received from brokers may include both services generated internally by a broker's own research staff and services obtained by the broker from a third-party research firm. Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. Research services are used for all client Accounts, even though certain clients may not have paid direct commissions to the brokers who provided the research. It is Strategic Value Bank Partners' policy to retain the ability to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with such investment and research information or to pay higher commissions to such firms if Strategic Value Bank Partners has determined that the broker is providing best execution based on the factors described in "Brokerage Practices".

Item 13: Review of Accounts

Strategic Value Bank Partners performs various daily, monthly and quarterly reviews of the Fund's portfolio. These reviews will be conducted by the Chief Compliance Officer, Managing Members, and certain back office personnel, working for a third-party service provider, who are responsible for confirmations, settlements, and position reconciliation.

The Limited Partners are provided on an ongoing basis a quarterly report detailing each Limited Partner's capital balance. This written report comes from the Fund administrators. Strategic Value Bank Partners will also provide, at least quarterly, a separate performance update and commentary to all Limited Partners.

Item 14: Client Referrals and Other Compensation

Strategic Value Bank Partners does not compensate any person for referrals of clients. Strategic Value Bank Partners does receive certain research and other services (soft dollars) from third parties which are described in more detail at Item 12: Brokerage Practices.

Item 15: Custody

Strategic Value Bank Partners is deemed to have custody of the Fund's assets. All Limited Partners in the Funds receive audited financial statements prepared in accordance with US Generally Accepted Accounting Principles ("GAAP") within 90 days for open-end Fund or 120 days for closed-end Funds, of the Fund's fiscal year end, which will be prepared by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

Item 16: Investment Discretion

Strategic Value Bank Partners exercises discretion in managing the Fund's investments based on the investment objectives, policies, and strategies disclosed in the applicable Governing Documents.

Strategic Value Bank Partners contractually assumes discretionary authority over the assets of the Funds under an investment management agreement entered between Strategic Value Bank Partners and the Funds.

Strategic Value Bank Partners manages the Funds and makes investment decisions without consultation with Limited Partners as to when the securities are to be bought or sold for the Funds, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

Item 17: Voting Client Securities

Strategic Value Bank Partners may vote proxies for any securities in the Funds. When Strategic Value Bank Partners accepts such responsibility, it will cast proxy votes in a manner consistent with the best interests of its clients. Absent special circumstances, which are fully described in Strategic Value Bank Partners' Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Strategic Value Bank Partners' Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Mike Oberhaus ("Chief Compliance Officer") at 216-282-0704 or mike@strategicbankpartners.com to request information about how Strategic Value Bank Partners voted proxies for that client's securities or to obtain a copy of Strategic Value Bank Partners' Proxy Voting Policies and Procedures.

Item 18: Financial Information

Strategic Value Bank Partners does not require nor solicit prepayment of fees six months or more in advance.

Strategic Value Bank Partners is not aware of any financial condition that is likely to impair its ability to meet contractual commitments to its clients.

Strategic Value Bank Partners has never been subject to a bankruptcy petition.