



Robert Bolton
Portfolio Manager

January 2015

Monthly Performance, Net of Fees

<u>Year</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>YTD</u>
2015	(6.42)												(6.42)
2014	(.43)	1.34	1.31	(3.39)	.85	1.52	(3.59)	1.08	(2.75)	8.94	(.52)	5.22	9.27
2013	4.58	.74	1.62	(1.65)	1.62	2.45	5.99	(2.10)	2.30	1.38	4.20	1.12	24.30
2012	2.42	.57	3.09	(1.01)	(2.59)	2.59	.06	1.98	3.12	.37	(.91)	2.49	12.67
2011	--	--	--	--	--	--	--	--	(.64)	3.05	.91	1.66	5.04

Overview

Volatility returned with a vengeance in January. The negative sentiment was reminiscent of days during the financial crisis. Concerns overseas (including an unprecedented and unannounced move by the Swiss Central Bank), falling oil prices and a strengthening dollar all contributed to pronounced downward pressure on the overall market. Lower ten-year Treasury yields, timing of rate increases and less than stellar earnings reports, created additional weakness for bank stocks.

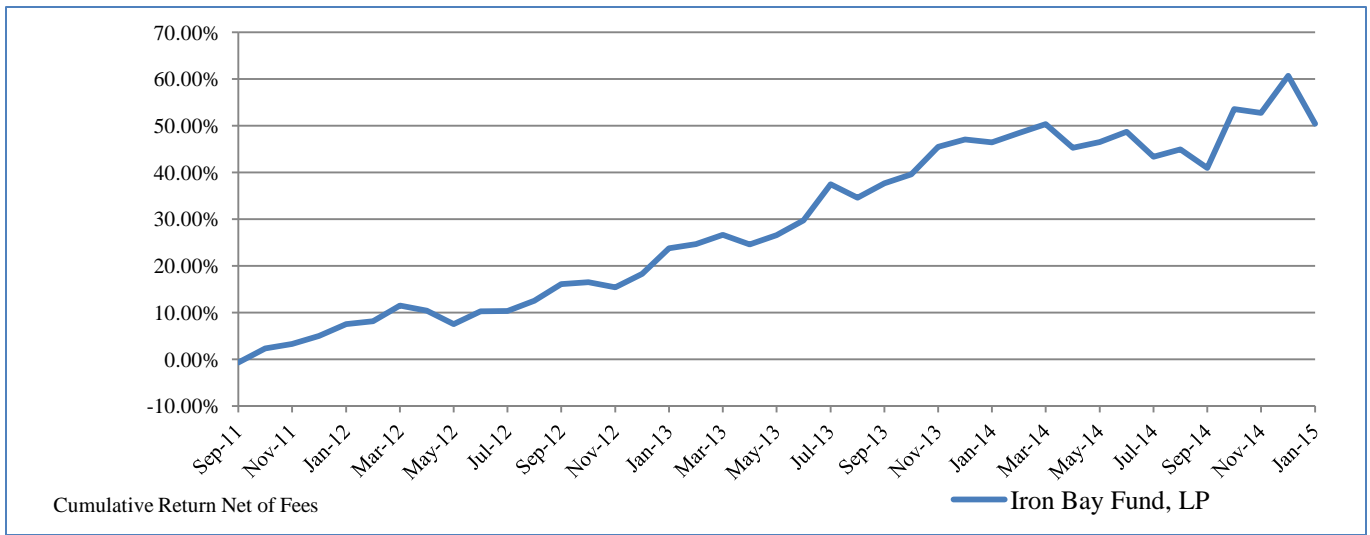
Economic data showed that the U.S. economy grew only 2.6% in the fourth quarter, below consensus expectations for a 3% increase. That was a marked slowdown from the 5% annualized pace set in the third quarter. U.S. corporations are facing headwinds from a strengthening dollar that has imports growing at three times the rate of exports. U.S. oil prices approached six year lows in January after the government reported record-high inventories. Along with a strengthening U.S. dollar, the Eurozone experienced considerable weakening of their currency as they battle **deflation**. In response to fears of the big “D”, ECB President Draghi announced a plan to buy €60 billion in government bonds, asset-backed securities and covered bonds per month beginning in March 2015 until at least September 2016.

From a relative perspective the Iron Bay Fund held up well. The Nasdaq Bank Index was down (8.85%) and the larger cap banks as measured by the KBW Bank Index was off (10.13%). Bank earnings reports reflected continued net interest margin pressure and an increase in expenses. Loan growth and credit continued on a positive trajectory. Valuation multiples in our portfolio are very attractive and we believe have significant upside potential.

On the M & A front there were 17 deals announced in January at an average price to tangible book value of 1.65x. In one of the larger transactions, Royal Bank of Canada announced plans to return to the U.S. in a big way, agreeing to acquire City National Corp. in a deal valued at more than \$5.3 billion and 2.6x’s price to tangible book value. We were encouraged to see a deal of this size to begin the year and we do expect further deals to take place as regulatory pressures continue to mount and organic growth becomes harder for many to attain. Thank you for your continued interest in the Iron Bay Fund.



PERIOD	IRON BAY FUND	NASDAQ BANK INDEX	KBW BANK INDEX	RUSSELL 2000 INDEX
January 2015	(6.42)	(8.85)	(-10.13)	(3.26)
QTD	(6.42)	(8.85)	(-10.13)	(3.26)
YTD	(6.42)	(8.85)	(-10.13)	(3.26)



SERVICE PROVIDERS & INVESTMENT TERMS	
Fund Manager	Robert Bolton
Management Fee	1.75%
Performance Fee	20%
Lock Up	None
Redemptions	Quarterly with 60 days notice
Administrator	Mitsubishi UFJ Fund Services
Auditor	KPMG
Prime Broker & Custodian	ConvergEx & JP Morgan
Legal	Woods Oviatt Gilman, LLP

Partnership Overview: Iron Bay Fund, LP is a limited partnership that focuses on investing in the securities of US domiciled, publicly traded financial services companies, particularly community banks. The Partnership has the ability to sell short securities and may utilize moderate leverage in an effort to enhance returns. Iron Bay Fund, LP seeks to invest in companies that have attractive valuations based on fundamentals, merger and acquisition opportunities, increasing dividend payouts and above average capital deployment opportunities. Investments are selected using in-depth fundamental research, supported by robust trading discipline and risk management techniques.

Past performance of the funds is no guarantee of future returns. This report is for informational purposes only and does not constitute an offer to sell or solicitation of an offer to buy limited partnership interests or shares. Offers can only be made via an offering memorandum, which is available to qualified investors. The respective offering memoranda include a more complete discussion of the various risk factors associated with an investment in the Fund. The limited partnership interests and shares, as applicable, of the Fund have not been registered under the Securities Act of 1933 or applicable state securities laws and are being offered and sold pursuant to an exemption available under such Act for securities issued in a private placement and corresponding provisions of state law. The information contained in this presentation is confidential, proprietary to Iron Bay Capital GP and may be used by the recipient for the sole purpose of considering an investment in the Iron Bay Fund LP.