IRON BAY CAPITAL

Iron Bay Fund, LP

MONTHLY PERFORMANCE, ***NET OF FEES***

January 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	3.12	--	--	--	--	--	--	--	--	--	--	--	**3.12**
2020	(7.28)	(8.74)	(34.61)	8.27	(5.65)	.89	(8.00)	1.94	(4.89)	13.78	19.51	7.41	**(25.71)**
2019	8.16	4.01	(5.55)	3.79	(4.79)	4.89	2.52	(6.57)	5.10	2.97	4.57	3.10	**23.09**
2018	1.13	(1.62)	1.28	.22	3.73	(.22)	(1.36)	.61	(3.10)	(10.40)	1.26	(14.87)	**(22.36)**
2017	1.64	2.13	(.06)	.20	(2.50)	3.19	(.14)	(1.09)	6.06	.65	2.82	(1.88)	**11.26**
2016	(7.38)	(3.72)	4.99	4.91	1.37	(1.60)	3.82	3.93	(.19)	(.09)	12.18	7.51	**27.14**
2015	(6.42)	4.57	6.43	(.79)	.27	3.23	2.19	1.66	1.61	3.54	4.42	.39	**22.54**
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:

U.S. equity performance fluctuated in January with more positive sentiment early in the month amid better-than-expected corporate earnings and prospects for additional stimulus supporting a strong “risk-on” bias. As the month progressed, investors became more concerned with the perceived lack of a formal vaccine distribution plan, vaccine shortages and a slower vaccine rollout. Additionally, at month-end, certain retail investors supported primarily by social media, targeted a select group of hedge fund short positions, creating a historic “short squeeze” and a dramatic rise in volatility. Prices of the companies targeted rose to unsubstantiated fundamental levels. Although not thought to affect the mechanics of the broader market, the manner at which the investors expressed their opposition, undermined confidence and contributed to the month-end sell off. The banking sector in general rose in January, as signs of an economic recovery continued to gain traction.

Bank earnings reflected more optimism as concerns over loan losses have been replaced with a more positive outlook for a steeper yield curve, improving business conditions and more resilient net interest margins. Early financial reports have shown that core results are coming in ahead of analyst's expectations. A second round of PPP issuance is under way and banks are now better prepared to assist their clients. They are also becoming more receptive to the benefits of the program for their clients, and their own bottom line. Banks that have participated have seen a boost to margins and associated loan origination fees. Traditional loan growth on the other hand, for many institutions remains understandably elusive. With deposit costs bottoming, banks are looking for a pickup in activity to support margins going forward. Reserves remain at strong coverage levels, even with greater confidence of a flatter loss curve.

Valuations have improved and we hear merger conversations are active with would-be buyers and sellers. Interest is expected to ramp up from unusually low levels seen in 2020, due to the pandemic and related uncertainty. We would expect M&A to be top-of-mind to augment slower loan growth and believe we will see both merger of equals (MOE’s) for the bigger entities and opportunistic consolidation for the community banks.

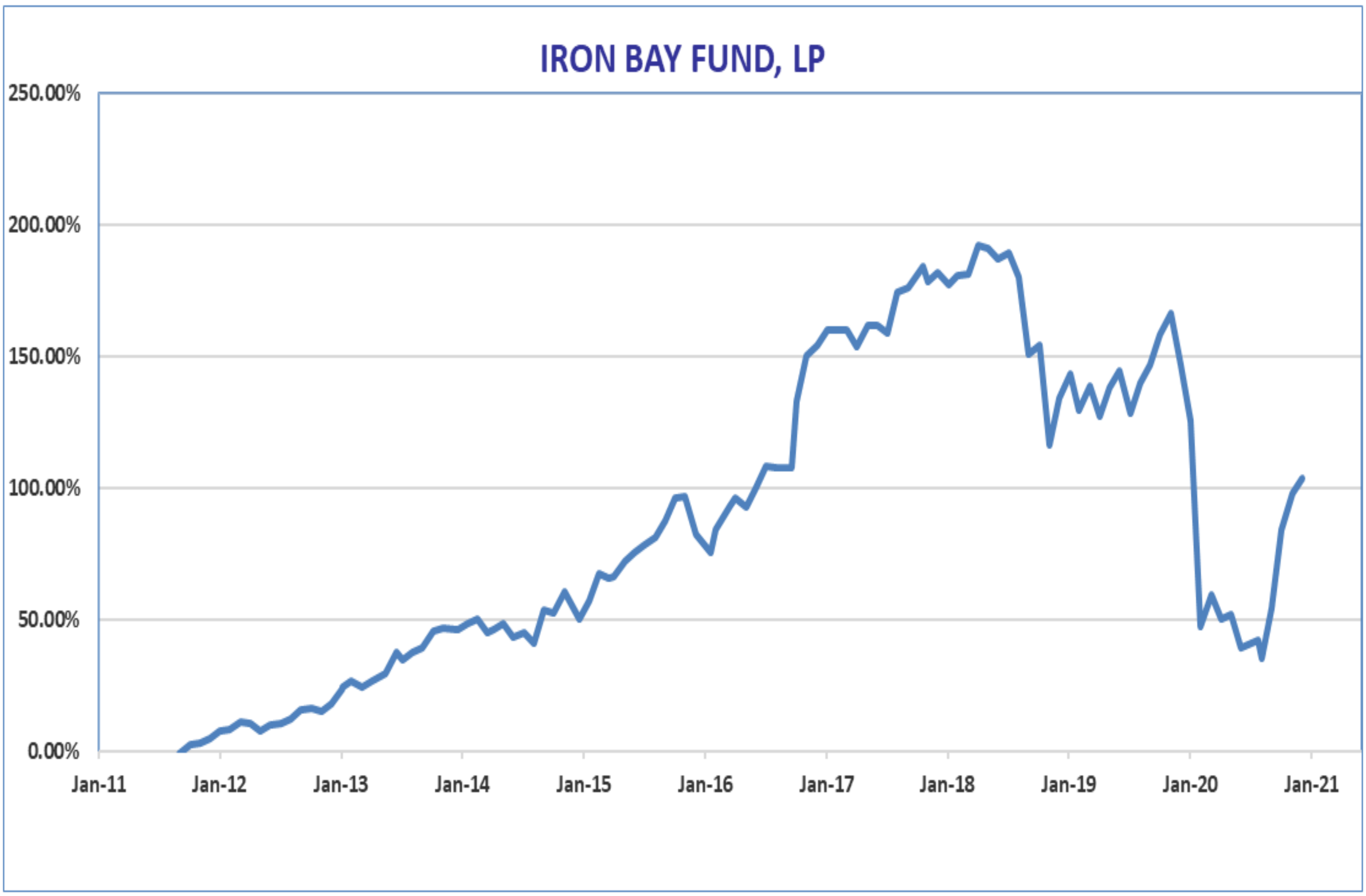
(continued)

The U.S. dollar has been boosted by a sell-off in U.S. Treasury's and speculation that the Federal Reserve might be forced to tighten its accommodative policies earlier than expected. We see the potential for inflationary forces to arise and for further yield curve expansion, alongside continued improvement in credit costs for lenders. This combination positions banks to see accelerated earnings growth in the nearer term.

As we look further into the first quarter, some investors may become frustrated at political resistance to the proposed $1.9 trillion stimulus package. Hopes are for the aid payments to be much more targeted than currently designed. Representatives describe the proposed measures, particularly the Federal minimum wage increase, as nonstarters to negotiations. Another big issue facing the new administration is that while they have emphasized both the importance of "going big" on coronavirus relief and acting in a bipartisan manner, they seem to be, more mutually exclusive events. "Going big", as they demand, would require the use of continued, much larger, inflationary stimulus pools. Signals are clear that compromise will not come easy. "Going Big" will be good for banks, but an uncertainty for markets long term.

If you would like to learn more about the Iron Bay Fund and our outlook, please contact us.

GRAPH:



Iron Bay Fund, LP

RETURN DATA:

Total Return Since Inception	+104.21%
Annualized Return from Inception	+7.88%
Average Monthly Return	+.81%
Std. Deviation of Monthly Return	+5.68%
Sharpe Ratio Since Inception	.37
Beta Since Inception vs. S&P 500	.62

	IRON BAY FUND, LP	**NASDAQ BANK INDEX**	**RUSSELL 2000**
January 2021	+3.12%	+4.18%	+5.00%
Last 3Y (Annualized)	(10.21%)	(3.85%)	+9.58%
Last 5Y (Annualized)	+2.26%	+7.46%	+14.90%
Inception (Annualized)	+7.88%	+9.75%	+11.79%

**All Iron Bay Fund, LP returns are reported* *NET OF FEES*.

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	Virtus Partners
Auditor	KPMG
Prime / Custodian	TD Securities
Legal	Woods Oviatt Gilman, LLP

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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.