



MONTHLY PERFORMANCE, NET OF FEES

February 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	3.12	13.97	--	--	--	--	--	--	--	--	--	--	17.53
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:

The market moved higher in February helped by a strong rotation into more economically sensitive cyclicals, including financials and energy, which outperformed the broader market. Overall results for the fourth quarter earnings season have been stellar exceeding expectations. The financial sector performance was one of the best in many years, leading all indices higher. The Iron Bay Fund returned x%, including a moderate positioning in short exposure to mitigate an increase in near term volatility.

The 10- year Treasury has seen a notable increase from the lows, as interest rates fell to all-time lows during the pandemic and has contributed to recent turbulence in the market. The rise in rates can be attributed to the massive amount of fiscal and monetary stimulus being put forth. A steepening yield curve, beneficial for banks, has investors nervous, fearing a potential for runaway inflation which would slow the economic recovery. Fed Chair Powell has committed to keeping interest rates at low levels for an extended period until economic conditions have improved to pre-pandemic levels. Powell reiterated that the economy is a long way from our employment and inflation goals. Financial conditions continue to be supportive for lending activity and risk assets. However, the speed at which rates have moved could see some intervention by the Fed to stabilize the curve and provide the necessary backdrop for a broader recovery.

Financial stocks are still trading at historically low valuations as compared to the S&P 500 index. We expect growth drivers to be continued reserve releases and PPP fees with another round of stimulus. As the vaccine rollout takes effect, more meaningful loan growth should resurface. Lower short term interest rates, a steepening yield curve and the added stimulus should accelerate growth. As we have written previously, banks are flush with liquidity. This may continue to keep margins from widening nearer term, although we do expect they will be more stable going forward. Fee businesses (wealth management, insurance, mortgage) have provided a steady foundation through yet another challenging environment.



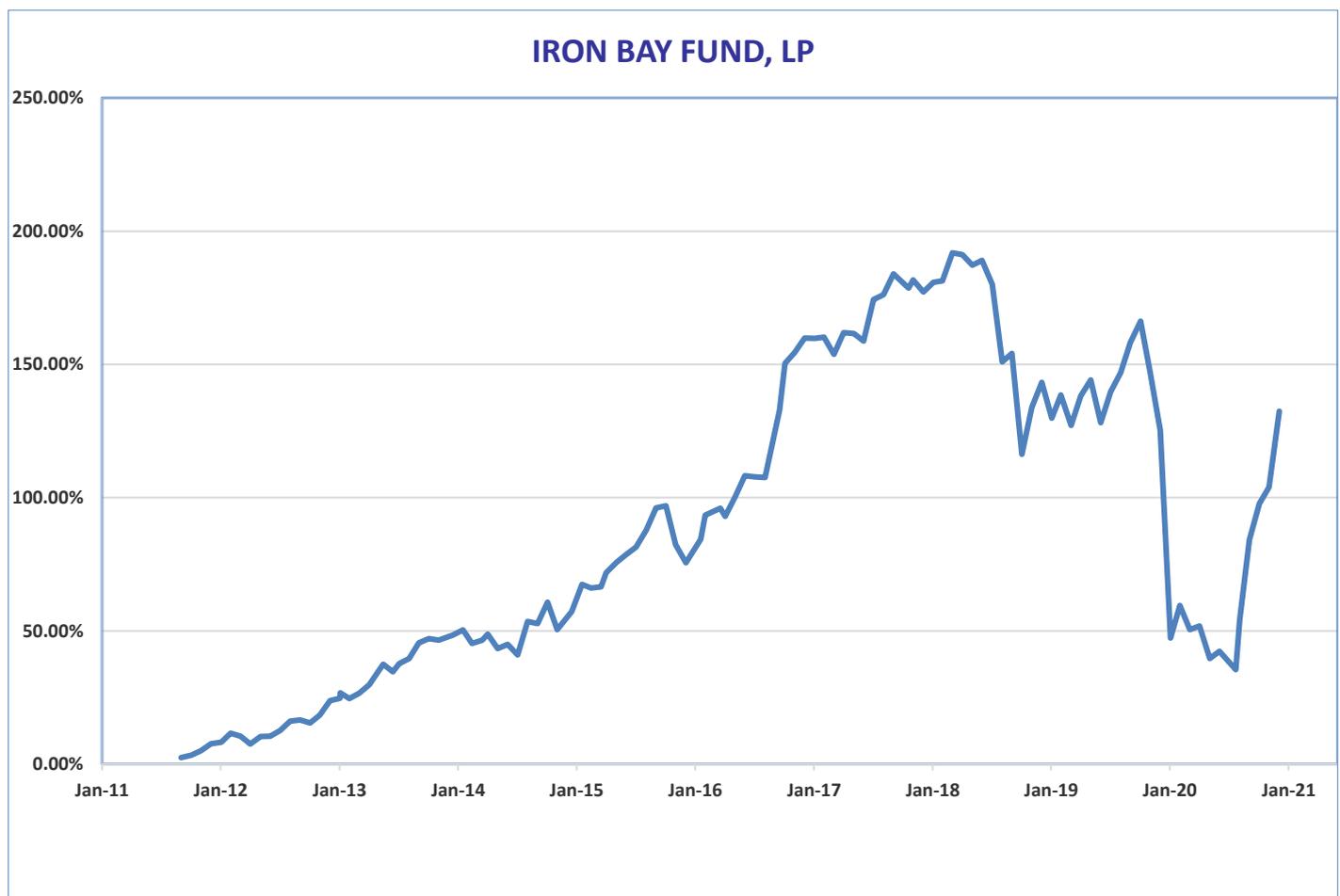
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Conditions are very favorable for an increase in M&A. We are seeing a need to drive real efficiencies and operate in a faster more digitized, technological proficient world. Currencies have improved with the more favorable sentiment on the sector, laying the groundwork for strategic acquirers with scale and skill to take advantage of the difficult operating environment. Competition from many different lending consortiums (shadow banking) and in general, difficult operation conditions will incentivize sellers to partner with the entities that have the balance sheets, management teams and technology to prosper into the future.

In February, M&T Bank agreed to acquire People’s Bank of Bridgeport, marking the fourth largest bank deal from 2011. Analysts and investors applauded the deal sending shares of both company’s higher post deal announcement. We would expect to see more deals of this nature to evolve in the coming year and are well positioned to take advantage of the increase in activity.

Thank you for your interest in the Iron Bay Fund. If you would like to arrange a call to learn more, please contact us.

GRAPH:





RETURN DATA:

<i>Total Return Since Inception</i>	+132.74%
<i>Annualized Return from Inception</i>	+9.30%
<i>Average Monthly Return</i>	+.93%
<i>Std. Deviation of Monthly Return</i>	+5.78%
<i>Sharpe Ratio Since Inception</i>	.43
<i>Beta Since Inception vs. S&P 500</i>	.61

	IRON BAY FUND, LP	NASDAQ BANK INDEX	RUSSELL 2000
<i>February 2021</i>	+13.97%	+16.07%	+6.14%
<i>QTD 2021</i>	+17.53%	+20.92%	+11.45%
<i>Last 3Y (Annualized)</i>	(5.70%)	+1.85%	+13.32%
<i>Last 5Y (Annualized)</i>	+5.77%	+11.35%	+16.31%
<i>Inception (Annualized)</i>	+9.28%	+11.39%	+12.38%

*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

CONTACT INFORMATION

Iron Bay Capital

350 Linden Oaks
Suite 140
Rochester, NY 14625
(585) 348-9226

rbolton@ironbaycapital.com

www.ironbaycapital.com

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. The return data presented in our monthly letter is representative of our day-one investor returns. Specific investor returns may vary due to the time they came into the fund. 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.