IRON BAY CAPITAL

Iron Bay Fund, LP

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

June 2022

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	.82	1.86	(3.71)	(7.55)	(.07)	(8.49)	--	--	--	--	--	--	**(16.40)**
2021	3.12	13.97	10.66	1.51	5.78	(4.11)	(2.26)	1.65	3.13	3.81	(.81)	2.57	**44.90**
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:

Markets slumped again in June closing out the worst performance for the first six months of a year since 1970. Concerns over aggressive monetary policy pushing the country into a recession have overshadowed any hope of a “soft landing.” After a 40-year high CPI reading, the Fed enacted a .75 basis point raise, the largest since 1994. Commentary suggested further tightening at this pace could be warranted going forward as there is little evidence of inflation peaking. Consumer sentiment is at a record low, consumers are spending less and the housing market bears watching as rates surge higher. Bloomberg News commented that “10-year Treasuries just had their worst first half since 1788, just before George Washington became President." Most asset classes have been affected except for energy which has rallied year to date. Financials have been under pressure as the potential for credit costs increasing is top of mind if we should dip into a recession.

The Consumer Price Index (CPI) has pushed to its highest level since 1981, with 24 consecutive monthly rises. Personal savings rates of 4.4% is the lowest since 2008. Rampant price increases have shown that energy continues to be the largest contributor to rising inflation, up over +35% last year, the largest increase since 2005. Housing costs are up +5.45%, the highest in 30 years. Real wages versus inflation have posted 14 months of negative growth. The economy continues to experience noticeable drags on demand that come from the pre-announced tighter fiscal policy, record high food and energy costs. The negative wealth effect (wages versus rising prices) and slumping consumer confidence could have prolonged effects on consumer psyche for the unforeseen future.

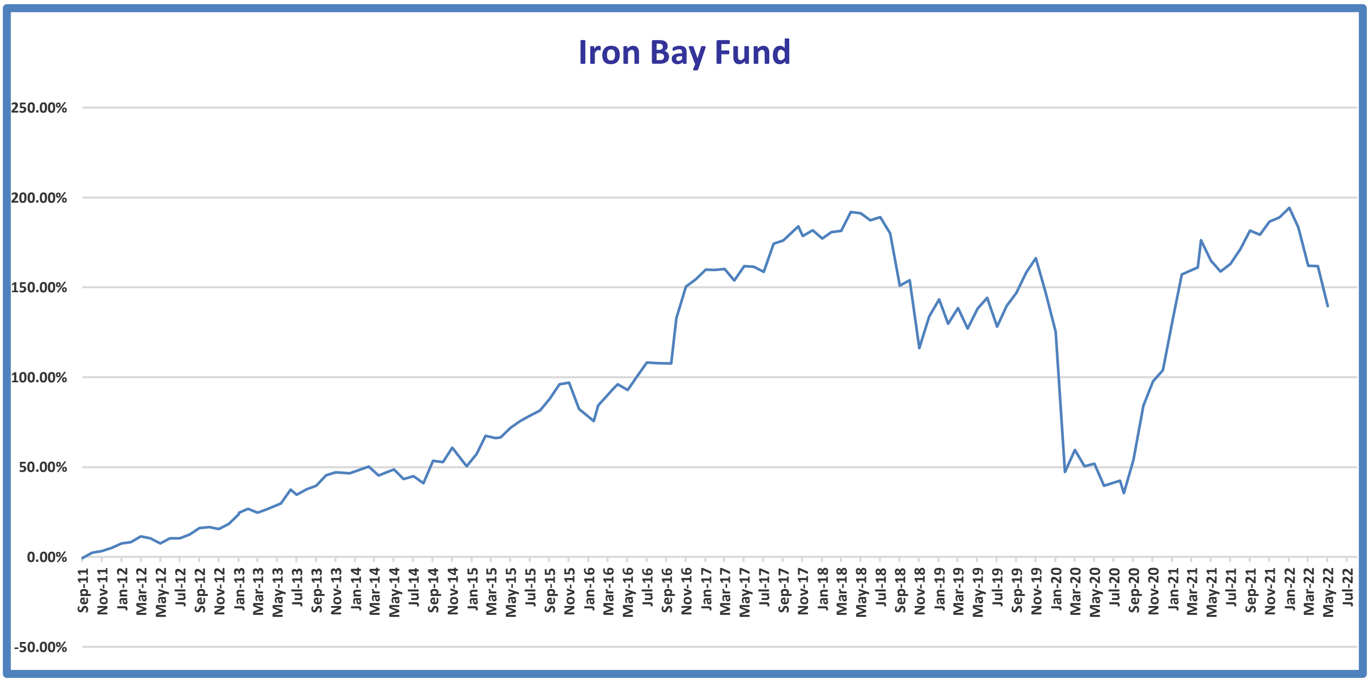
The Banking sector, flush with deposits during Covid, has begun to see some pricing pressures from commercial and retail accounts looking for more yield on deposits. According to the American Banker, the landscape for commercial deposits has been changing rapidly since the Fed has hiked rates at its most aggressive pace since 1994. The rapidly rising rates means banks’ funding costs could rise in tandem in the near future. With the expectation that central banks will raise rates to 3% by year-end, the balancing act of properly pricing loans and deposits will be extremely important to bank management teams. Banks overall should benefit from margin expansion as loans reprice quicker. The most important variable will be the potential for credit costs to rise which could offset any incremental gain from better margins. As earnings season approaches, we would expect that reserve releases (prevalent in 2021) could be almost nonexistent. *(continued)*

(continued)

CCAR (Comprehensive Capital Analysis and Review) results came out in June, with all the larger banks passing this year's tougher Fed stress tests. JPM, BAC and C had to add to capital buffers potentially limiting their ability to buy-back shares. MS, BAC and GS were among banks that did announce dividend increases. The test this year included a more severe decline scenario in U.S. real GDP growth bottoming at (6.2%) versus (5.5%) in the 2021 test. The test gives each bank's Stress Capital Buffer (SCB), which is effectively a hypothetical drawdown of capital in a stressed scenario, plus the prefunding of four quarters of dividends, with a 2.5% minimum. We continue to pay close attention to capital redeployment plans across the sector.

Year-to-date there have been only 84 whole bank deals, which lags behind the pace of previous years. The average price paid is 1.49x tangible book value, slightly below the 1.54x number for 2021. We expect with the continued regulatory backlog, we could see steady, but lackluster, numbers into the back half of the year. In the event, we do fall into a recession, we believe the banks are well capitalized and have been sufficiently regulated to be able to withstand a downdraft in the economy. The sector has been operating in various environments from the Global Financial Crisis but has yet to rebound to historical valuations. This should be a consideration for bank management teams that do not have the scale and resources to grow, and we think will incentivize more consolidation conversations.

The Iron Bay portfolio has maintained moderate short market exposure to protect our long portfolio for the first half of the year. We continue to believe there will be volatility until the November mid-term elections and we will remain vigilant and opportunistic with our investments. We speak with management teams regularly and we believe our investments are in sound companies that will be able to navigate through this difficult period and will benefit as the Fed returns to a more normal policy. If you would like to learn more about our outlook for the year, please contact us.



Iron Bay Fund, LP

RETURN DATA:

Total Return Since Inception	+139.93%
Annualized Return from Inception	+8.41%
Average Monthly Return	+.85%
Std. Deviation of Monthly Return	+5.66%
Sharpe Ratio Since Inception	.40
Beta Since Inception vs. S&P 500	.60

	IRON BAY FUND, LP	NASDAQ BANK INDEX	RUSSELL 2000
June 2022	(8.49%)	(9.09%)	(8.37%)
Year-to-Date	(16.40%)	(19.52%)	(23.93%)
Last 12 Months	(9.54%)	(11.52%)	(26.08%)
Last 3Y (Annualized)	+.19%	+2.74%	+2.92%
Last 5Y (Annualized)	(1.76%)	+1.21%	+3.83%
Inception (Annualized)	+8.41%	+9.19%	+8.22%

** Iron Bay Fund, LP returns are reported net of all 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 U.S. 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.