



MONTHLY PERFORMANCE, NET OF FEES

October 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)	5.20	(.28)	(3.56)	5.51	--	--	(10.75)
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:

October was a strong month in the markets. The Dow Jones Industrial Average finished with the highest monthly gain in 46 years. All three major indices recorded large monthly gains, snapping a two-month losing streak. Investors discarded fears with regard to Fed tightening, a concerning change of direction for China's economic and political future, and overall fiscal and political uncertainty at home including continued fear of a prolonged recession. Financials benefitted from the more favorable sentiment with positive performance in both large and small cap indices. The Iron Bay Fund, LP returned +5.51% for the month.

Remarkably, this all comes even as we see persistent inflation with no near-term signs of lessening. Core CPI (consumer prices) has continued to increase and labor costs have not shown any signs of decelerating. Supply chain bottlenecks have started to improve, but we believe demand destruction will take much longer to play out given the unprecedented stimulus still in the system. Too many dollars, are still chasing too few goods.

Bank earnings reports for the 3rd quarter were mixed. Low-cost bank deposits are in jeopardy and the velocity of rate hikes in a very short period has incentivized depositors to seek yield that was otherwise (over the past many years) non-existent. We saw an increase in deposit costs across the board, with some considerably higher, which weighed on net interest margins. The more favorable sentiment for banks has been focused on their ability to increase loan yields while keeping deposits relatively flat.

Given the murky economic outlook, many of the larger bank management teams took the opportunity to increase provisioning should credit become an issue. Out of the 23 banks with more than \$50 billion in total assets that reported third-quarter earnings through Oct. 21st, 18 booked higher provisions quarter over quarter, according to S&P Global Market Intelligence data. All 23 banks hiked provisions from the third quarter of 2021, when the banking industry was still recording negative provisions as companies drained credit loss reserves built near the start of the COVID-19 pandemic. We would expect, AOCI charges (unrealized losses primarily on bond portfolios) to taper off if the Fed starts to slow the pace of rate hikes going forward.

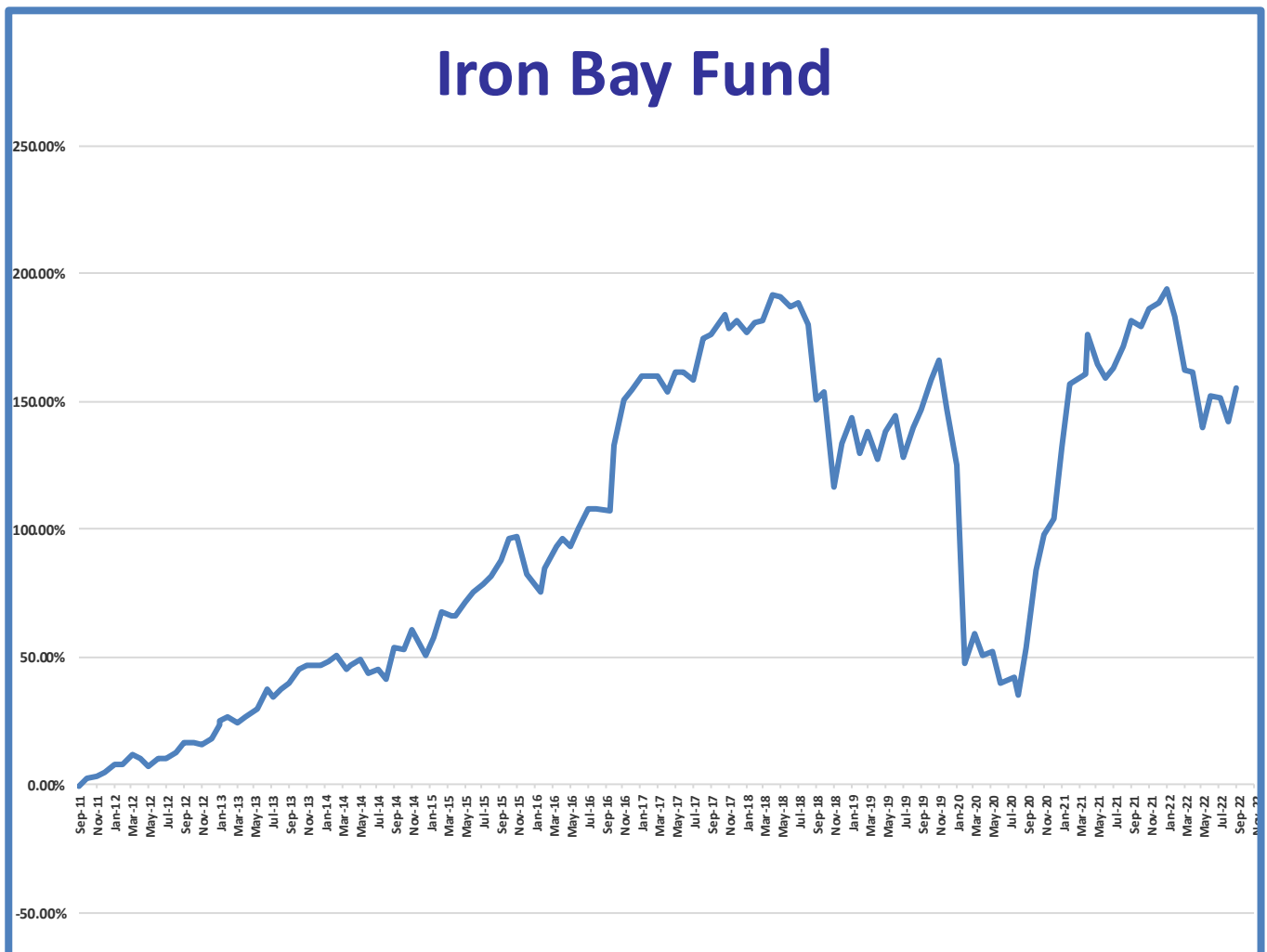
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Year to date there have been 139 whole bank deals completed at an average price to tangible book value of 1.56x. The Iron Bay portfolio benefitted from an M&A transaction this month; Limestone Bancorp (LMST) in Kentucky, a long-held position, agreed to be acquired by People’s Bancorp (PEBO) at a 39.2% premium. Per the terms of the agreement, LMST shareholders will receive .90 shares of PEBO for every share held. Patience paid off and we are very pleased with this transaction.

As we make our way thru the mid-term elections and into the year-end, we believe the overall market will be volatile. Historically speaking, the market has done well following mid-term elections and could be positioned for a Santa Claus rally. The Fed has remained consistent in their message to continue to raise rates as long as economic data shows inflation remaining high.

If you would like to learn more about the Iron Bay Fund and our outlook for the future, please let us know.

HISTORICAL GRAPH:



RETURN DATA:

<i>Total Return Since Inception</i>	+156.11%
<i>Annualized Return from Inception</i>	+8.79%
<i>Average Monthly Return</i>	+.87%
<i>Std. Deviation of Monthly Return</i>	+5.62%
<i>Sharpe Ratio Since Inception</i>	.42
<i>Beta Since Inception vs. S&P 500</i>	.60

	IRONBAY FUND, LP	NASDAQ BANK INDEX	RUSSELL 2000
<i>October 2022</i>	+5.51%	+8.39%	+10.94%
<i>Year-to-Date</i>	(10.75%)	(12.67%)	(17.75%)
<i>Last 12 Months</i>	(9.22%)	(11.97%)	(19.60%)
<i>Last 3Y (Annualized)</i>	+1.18%	+5.13%	+5.73%
<i>Last 5Y (Annualized)</i>	(1.52%)	+1.89%	+4.21%
<i>Inception (Annualized)</i>	+8.79%	+9.70%	+8.72%

* 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.

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.