IRON BAY CAPITAL

Iron Bay Fund, LP

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

June 2023

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	2.91	.50	(19.28)	(8.10)	(10.03)	6.10	--	--	--	--	--	--	**(26.76)**
2022	.82	1.86	(3.71)	(7.55)	(.07)	(8.49)	5.20	(.28)	(3.56)	5.51	2.89	(5.86)	**(13.55)**
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:

The market has proven to be resilient in the first half of 2023. As investors have climbed a "wall of worry", the most planned recession to **not** evolve, has sentiment split as to how the second half of the year will go. Considering the aggressive monetary policy, three bank failures, concerns over a recession, and drama associated to the debt ceiling, it is somewhat surprising the market has continued to move higher.

Bank stocks gained in June, steadying after a spiral downward that began with the first bank failure. Valuations have come under significant pressure with the average bank stock currently trading at or below tangible book value. The Iron Bay Fund returned +6.10% for the month, recovering some of the ground lost amid the recent volatility in the sector.

Economic numbers in June showed moderate strength. The Federal Reserve has remained steadfast in their mission to tackle inflation and has indicated we could see a few more hikes before an extended pause. Wage growth, increased consumer confidence and strong manufacturing data, suggests a resilient economy although some have said we could navigate a soft landing. It is too early to call given the Fed has said they are not done raising rates even as we believe they may be closer to the end than the beginning of tightening.

Second quarter bank earnings will be highly scrutinized given the elevated deposit betas and concern over credit. The recently completed big bank stress tests gave us some indication of the relative strength of the banking system and that and that even in the direst circumstances, the banking system has enough capital to weather the storm. We fully expect margins to contract given the more lucrative rates customers can now realize in cash like investments (money markets, treasuries, etc.) This is expected to pressure profitability as banks look to retain deposits by offering higher rates. The good news is that deposit movement has stabilized. The bad news is that those deposits are costing banks more to retain.

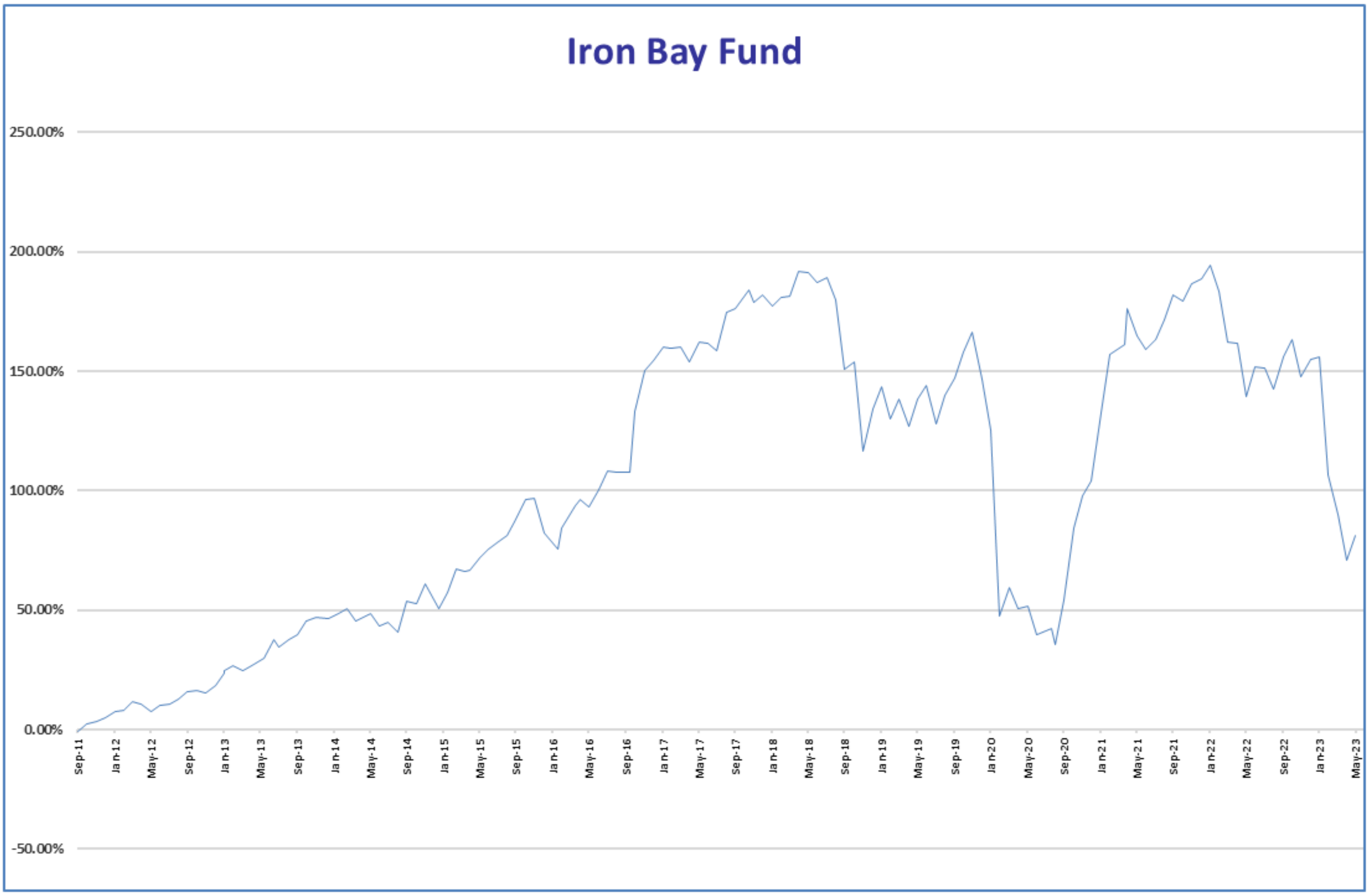
Increased regulation also poses a headwind for the banking sector. It is hard to see not incurring some level of increased oversight given the black eye regulators suffered by missing the clear mismatch of assets and liabilities at Silicon Valley Bank (SIVB). It is not clear what form this will take and how it will affect banks of all sizes, including the community banks. We would expect higher capital requirements for the bigger banks and potentially more regulation and expenses.

(continued)

In June, securities portfolios recovered some of the unrealized losses from March, but with the recent rise in rates, these bond losses are back to year-end levels. Banks will have a decision to make depending upon capital strength and we could see some reducing exposure and realizing losses now while others may hold to maturity. Earnings may be under pressure for a few quarters, but the valuations are extremely compelling for long-term investors. It’s essential to note, we have been through these cycles before.

During these times it is important to understand balance sheet composition and deposit movement in order to get more comfortable with the longer-term opportunities. M&A has unfortunately been dormant for the past 18-months, but we feel this will pick up. Considering the current market challenges, we feel strongly that consolidation will be encouraged by regulators. Many are calling for a very strong M&A wave as we get by the next few earnings reports and see stabilization in the sector.

If you would like to learn more about our outlook for the back half of the year, please contact us. Thank you.



RETURN DATA:

Total Return Since Inception	+81.68%
Annualized Return from Inception	+5.18%
Average Monthly Return	+.61%
Std. Deviation of Monthly Return	+5.88%
Sharpe Ratio Since Inception	.21
Beta Since Inception vs. S&P 500	.55

	IRON BAY FUND, LP	NASDAQ BANK INDEX	RUSSELL 2000
June 2023	+6.10%	+6.13%	+7.95%
Year to Date	(26.76%)	(25.85%)	+7.24%
Last 12 Months	(24.28%)	(24.78%)	+10.58%
Last 3Y (Annualized)	+6.12%	+3.21%	+9.43%
Last 5Y (Annualized)	(9.03%)	(6.21%)	+2.83%
Inception (Annualized)	+5.18%	+5.80%	+8.41%

** 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

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 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.