IRON BAY CAPITAL

Iron Bay Fund, LP

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

August 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	17.36	(7.36)	--	--	--	--	**(20.37)**
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 banking sector came under pressure in August as the 10-year US Treasury hit the highest level since 2008-2009. Consensus opinion is that rates could remain higher for longer, which would have negative implications for bank margins and for bank securities portfolios (AOCI). The Iron Bay Fund was down 7.36% in August, slightly outperforming the major bank indices.

The widely anticipated annual Jackson Hole Financial Summit received a muted response from investors. As economic data continues to be generally mixed, investors will look to the Fed for further guidance as to where rates will go from here. Fed Chair Powell reiterated his “data dependent” stance and commented there may be a need for further hikes. Job openings were lower and consumer confidence fell below expectations.

Reported August payrolls were stronger than expected but were considered soft as there were substantial adjustments to the June and July numbers There was a slight uptick in labor-force participation that pushed the unemployment rate to 3.8%. Labor is softening, but according to Morgan Stanley research, it’s not falling off a cliff. Consumer confidence was flat month over month, as inflation remains the top concern to households. Analysts are implying there could be heightened pressures on consumer discretionary spending.

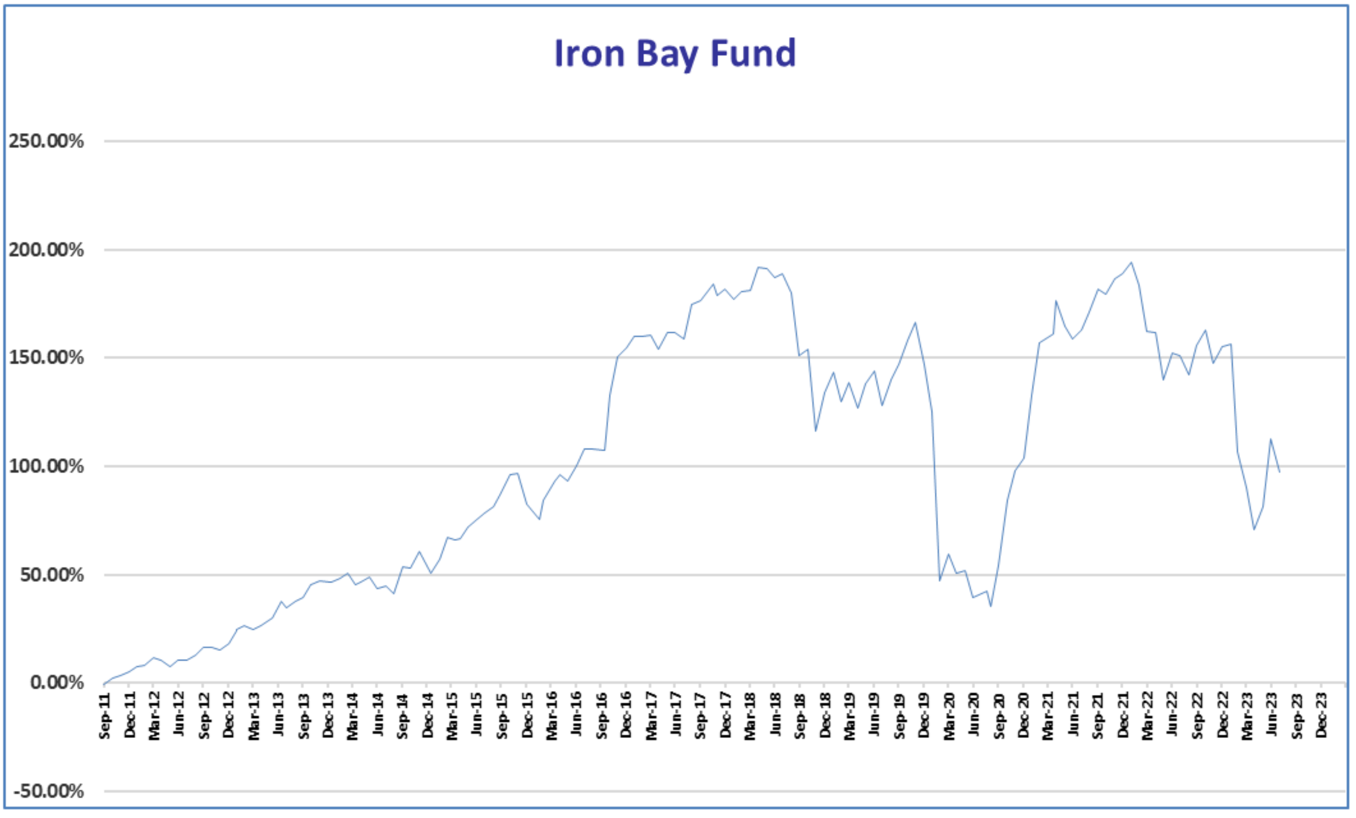
Mid-month volatility as a result of rising bond yields again pressured the market. Major foreign holders of US Treasuries have reportedly been selling in great volume creating a spike in yields that somewhat moderated as the month ended. As mentioned, higher rates increase the loss profile for bond portfolios on bank balance sheets. Any incremental move higher is negative for unrealized losses.

(continued)

Additionally, regulators have been busy with proposals to better manage regional bank risk. Larger banks (>$100 billion in assets) will be subject to additional scrutiny and will be required to maintain higher debt levels and AOCI will be required to feed into regulatory capital ratios. Community banks for now will not be subject to similar constraints.

We have seen some activity in the banking sector for merger of equals. In a tough environment, banks are looking to increase scale and share costs more efficiently. All in all, merger volume was light in August. Year to date there have been 73 whole banks deals at an average price to tangible book value of 1.33x. We have heard that a lot of conversations are taking place, and we anticipate a pickup in the number of deals announced. The operating environment continues to be difficult and presents some material headwinds, which we expect will incentivize bank management teams to evaluate the cost of independence.

In anticipation of a soft landing to the economy and a resilient consumer, we remain positioned opportunistically to benefit from a recovery in bank valuations alongside consolidation. We think a pause by the Fed may stabilize the market, including the banking sector. If you would like to learn more about the Iron Bay Fund or our outlook for the year, please contact us.



Iron Bay Fund, LP

IRON BAY CAPITAL

RETURN DATA:

Total Return Since Inception	+97.53%
Annualized Return from Inception	+5.84%
Average Monthly Return	+.67%
Std. Deviation of Monthly Return	+6.04%
Sharpe Ratio Since Inception	.23
Beta Since Inception vs. S&P 500	.55

	IRON BAY FUND, LP	NASDAQ BANK INDEX	RUSSELL 2000
August 2023	(7.36%)	(7.96%)	(5.17%)
Year to Date	(20.37%)	(21.07%)	+7.86%
Last 12 Months	(21.52%)	(24.42%)	+3.01%
Last 3Y (Annualized)	+11.48%	+5.71%	+6.74%
Last 5Y (Annualized)	(7.36%)	(5.58%)	+1.76%
Inception (Annualized)	+5.84%	+6.27%	+8.34%

** 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.