



MONTHLY PERFORMANCE, NET OF FEES

February 2026

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2026	4.75	(1.00)	--	--	--	--	--	--	--	--	--	--	3.70
2025	1.30	(2.20)	(6.65)	(2.96)	4.60	5.33	1.03	10.74	(1.68)	(2.54)	6.72	2.52	15.98
2024	(5.00)	(5.07)	2.05	(10.44)	4.48	3.47	20.53	(.77)	(1.28)	2.38	11.74	(7.21)	11.68
2023	2.91	.50	(19.28)	(8.10)	(10.03)	6.10	17.36	(7.36)	(5.42)	(4.06)	9.62	17.28	(7.11)
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	(7.2)	(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:

Stocks had modest losses in February. Banks underperformed with heightened concern over the ongoing tariff debacle, AI disruptions and negative private credit headlines. The Iron Bay Fund was down (1.00%) in February, outperforming the Nasdaq Bank Index (3.28%).

Banks performed well into February on the back of a steadily improving operating environment, marked by stronger liquidity, stabilizing margins, and a more predictable interest-rate backdrop. Financial institutions have largely transitioned from a defensive posture seen two years ago, to a renewed focus on earnings growth moving forward. U.S. banks are well capitalized and while the private credit headlines have worried investors of a spillover effect, banks are well equipped to handle credit losses. Analysts have noted that measured economic growth and easing inflation are helping banks operate with greater confidence, supported by a more robust capital base and resilient margins.

Liquidity conditions continue to show improvement early in 2026. FDIC data from late 2025 had already highlighted consecutive quarters of deposit growth, both insured and uninsured, and that momentum has carried into the new year. No question that community banks are maintaining sizable on-balance-sheet liquidity as a precaution, reflecting lessons from the prior rate volatility cycle. Even with improved stability, many institutions remain cautious about wholesale or brokered funding, preferring to strengthen core deposit relationships and reduce reliance on higher-cost sources. This conservative stance has certainly helped reinforce balance-sheet resilience heading into the mid-term election cycle.

Profitability trends have also started to show gradual improvement. Net interest margin stability remains a central theme, with banks focusing on disciplined loan repricing, restructuring securities portfolios as unrealized losses moderate, and refining deposit-gathering strategies to attract more stable funding. Although margins are still below pre-pandemic levels, the trajectory looks positive.



(continued)

Earnings growth is being supported by steadier non-interest income and a more or less predictable rate environment, though uncertainty around the broader rate path continues to influence planning.

We agree that credit quality remains broadly sound. Analysts expect net charge-offs to drift modestly higher in certain segments, particularly commercial real estate (CRE) but emphasized that community banks are well positioned to absorb rising credit costs. Strong capital ratios and ample liquidity are providing meaningful buffers, and institutions continue to tighten credit discipline as economic signals shift. This combination of cautious underwriting and solid capital strength has contributed to a favorable sector outlook so far this year.

As of this writing, the world has changed dramatically, and we are cognizant this may introduce a new level of concern for credit in general. The increasing price of oil coupled with a deteriorating labor market has the Fed in a very precarious position. Rates have moved steadily higher which could pressure the sector in the near term.

We do expect meaningful consolidation in the coming years. Banks need scale to compete given the sophisticated level of technology that has been introduced. Additionally, banks face stiff competition from the likes of stablecoin initiatives etc. For many banks the question is not “if” but when.

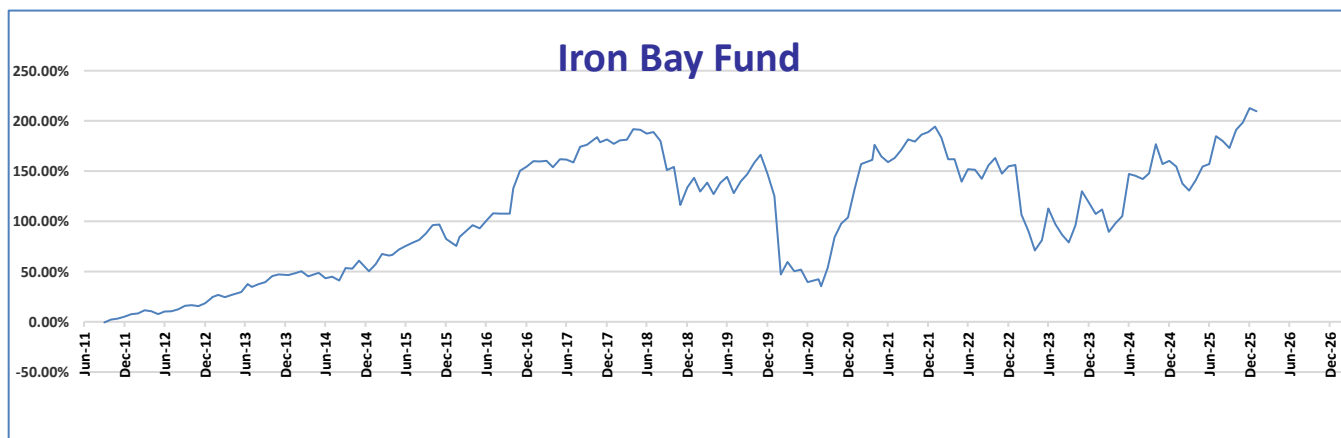
Interest-rate dynamics are playing a significant role in shaping forecasts for future performance. With inflation appearing to ease and the rate environment becoming arguably more predictable, banks are better able to plan around funding costs and loan pricing. The steadier backdrop reduces volatility in deposit flows and allows for more strategic balance-sheet management.

Many institutions view 2026 as an inflection point, an opportunity to rebuild profitability after two years of margin compression and funding stress. Sector reports highlight that community bank strategies are increasingly emphasizing efficiencies, deposit growth, loan growth, and talent development, reflecting a shift toward long-term operational modernization and technology enhancements.

Overall, February represented a cautiously optimistic period. Improved liquidity, stabilizing margins, and a clearer interest-rate outlook will support stronger earnings momentum, while disciplined credit management and robust capital positions help mitigate emerging risks. The sector’s transition from balance-sheet defense to earnings-driven growth appear well underway, positioning community banks to navigate the remainder of the year with greater resilience and strategic focus.

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

GRAPH:





RETURN DATA:

	IRON BAY FUND, LP	NASDAQ BANK	RUSSELL 2000
<i>February 2026</i>	(1.00%)	(3.28%)	+ .71%
<i>Year-to-Date</i>	+3.70%	+1.33%	+6.06%
<i>Last 12-Months</i>	+21.40%	+3.80%	+21.70%
<i>Last 3-Year</i>	+6.45%	+3.57%	+11.54%
<i>Last 5-Year</i>	+5.86%	+1.65%	+3.64%
<i>Inception to Date Annualized</i>	+8.10%	+7.93%	+9.29%

<i>Total Return Since Inception</i>	+209.51%
<i>Annualized Return from Inception</i>	+8.10%
<i>Average Monthly Return</i>	+ .85%
<i>Std. Deviation of Monthly Return</i>	+6.23%
<i>Sharpe Ratio Since Inception</i>	.30
<i>Beta Since Inception vs. S&P 500</i>	.55

* 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	FIS Global/Virtus Partners
Auditor	KPMG
Prime / Custodian	Jones Trading/ Pershing
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.