# Iron Bay Fund, LP

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

**June 2026**

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2026** | 4.75 | (1.00) | .90 | 4.93 | .88 | 9.26 | -- | -- | -- | -- | -- | -- | **21.02** |
| **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:**

The Iron Bay Fund was +9.26% in June and is +21.02% year to date versus the Nasdaq Bank Index that was +7.54% for the month and is +15.49% year to date.

Bank stocks closed out the 2nd quarter on a high note, outperforming the broader market over the final four weeks, delivering their strongest quarterly performance in years. After a rough start to the year, marked by tariff headlines and geopolitical risk, the sector's late-quarter rally reflected improving sentiment around credit quality, resilient net interest margins, and growing confidence that the peak in funding cost pressure has passed. For many community banks, this marks a welcome reprieve after several years of margin compression and deposit competition.

The rally has come with a caveat though, broader market breadth has been historically narrow, with only a small share of S&P 500 constituents outperforming the index over the past month. Having bank stocks lead during this stretch is a meaningful signal, but we remain cautious to conclude that a single strong quarter is a reliable trend.

We believe volatility and uncertainty will remain elevated in the second half of the year. Despite the encouraging quarter-end performance, the macro backdrop remains anything but stable. Oil prices have been a wildcard all year, with energy markets whipsawed by the conflict involving Iran and subsequent regional negotiations. Prices have eased somewhat in recent weeks as diplomatic talks progress, offering some relief on the inflation front, but the path remains sensitive to overall headline risk out of the Middle East.

Interest rate expectations have shifted meaningfully. Where markets began the year pricing in multiple cuts, we now see a scenario where there could actually be a rate **hike** later this year. This reversal in thinking has implications for both funding costs and asset-liability positioning at community banks.

*(continued)*

New Federal Reserve Chair Kevin Warsh, who took the helm in late May, used his first press conference in mid-June to send an unmistakably hawkish signal, holding the Federal Funds rate steady while stressing that the Fed's 2% inflation objective "is not a suggestion." That tone marked a notable shift from the more dovish, rate-cut-friendly rhetoric Warsh had offered during his confirmation process, when he also pointed to AI-driven productivity gains as a potential disinflationary force.

The sentiment pivot rattled risk assets in the near term and pushed rate-hike odds higher, a reminder that community banks should continue planning for a "higher for longer" rate environment rather than banking on near-term relief. For institutions carrying longer-duration securities portfolios or funding books sensitive to deposit betas, this argues for continued discipline on balance sheet positioning even as credit conditions look constructive.

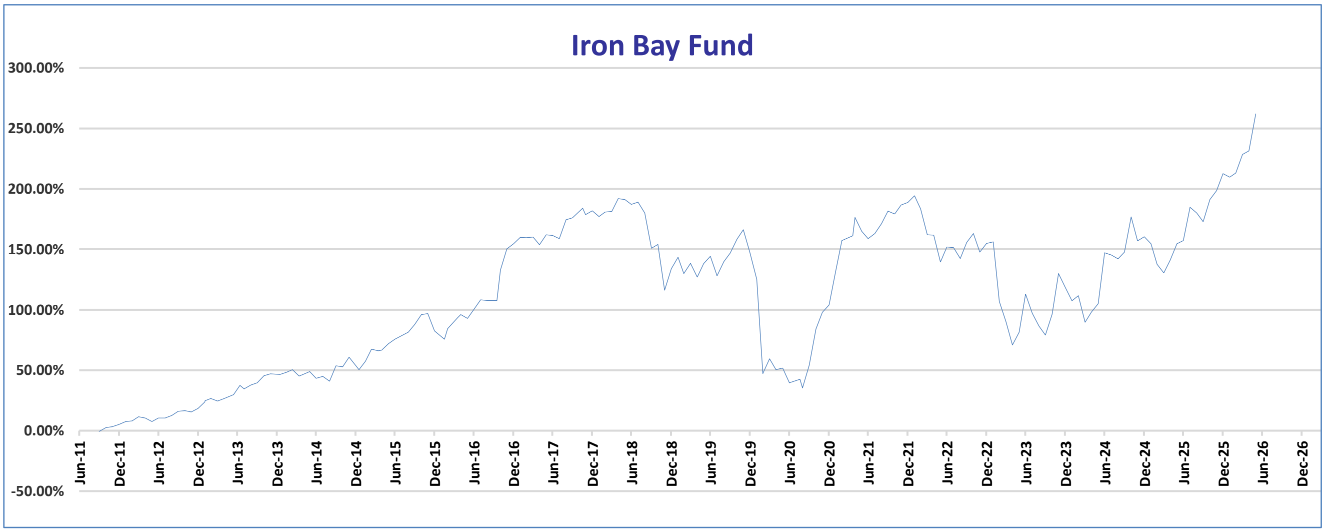
The most recent employment reports reinforced a gradual cooling narrative. Job growth slowed sharply, well below expectations, with meaningful downward revisions to prior months. The unemployment rate ticked lower, but largely because of declining labor force participation rather than robust hiring, a distinction that matters for how the data is interpreted. “Real” unemployment is not as solid a number as policy makers would like. For community banks, a labor market that is cooling gradually rather than cracking abruptly is arguably the best-case scenario. This takes pressure off the Fed's hawkish stance without signaling the kind of deterioration in employment that typically precedes credit stress. We will be watching the upcoming inflation and employment reports closely, as Chair Warsh has signaled the Fed's near-term posture will hinge more on price data than labor data.

A handful of developments this quarter point toward meaningful regulatory relief for community banks. Legislative efforts have been gaining traction to carve out certain custodial and reciprocal deposit arrangements from the brokered deposit definition, which would ease funding cost pressure and expand access to stable relationship-based deposits for banks that qualify.

The FDIC Board has proposed raising the asset threshold used to define "small" versus "large" institutions for deposit insurance assessment purposes from $10 billion to $30 billion, alongside a reduction in base assessment rates for small institutions. If finalized, this would meaningfully lower the assessment burden for a wider swath of community and regional banks. Collectively, these initiatives reflect a regulatory environment that is becoming more accommodating to community bank business models after several years of heightened unnecessary political scrutiny.

In conclusion, we see community banks entering the second half of 2026 with meaningful tailwinds. A strong quarter-end rally, credible regulatory relief on deposits and assessments, and a labor market cooling in an orderly rather than alarming fashion. But the macro setup is fragile. A potentially hawkish Fed chair, energy-market sensitivity tied to an unresolved geopolitical situation, and a still-unproven AI cap-ex cycle all represent risks that could quickly change our outlook. We are hoping that management teams will use this window of relative strength to shore up balance sheet flexibility rather than assume the favorable conditions are locked in.

Thank you for your interest in the Iron Bay Fund. If you would like to schedule some time to hear more about our outlook for the remainder of 2026, please contact us. Thank you.




**RETURN DATA:**

| | IRON BAY FUND, LP | NASDAQ BANK | RUSSELL 2000 |
|---|---|---|---|
| *June 2026* | +9.26% | +7.54% | +3.60% |
| *Year-to-Date* | +21.02% | +15.49% | +21.86% |
| *Last 12-Months* | +41.95% | +22.69% | +39.05% |
| *Last 3-Year* | +25.74% | +20.93% | +16.99% |
| *Last 5-Year* | +6.37% | +3.31% | +5.53% |
| *Inception to Date Annualized* | +9.04% | +8.70% | +10.10% |

| | |
|---|---|
| *Total Return Since Inception* | +261.19% |
| *Annualized Return from Inception* | +9.04% |
| *Average Monthly Return* | +.92% |
| *Std. Deviation of Monthly Return* | +6.20% |
| *Sharpe Ratio Since Inception* | .35 |
| *Beta Since Inception vs. S&P 500* | .53 |

** 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 |

## CONTACT INFORMATION

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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.