IRON BAY CAPITAL

Iron Bay Fund, LP

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

December 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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:

December was another strong month in the market as the "rise off the March bottom" continued, wrapping up a tumultuous year. The banking sector, while negative for the year, staged a significant recovery from the lows as investors gained confidence in the sector on the heels of vaccine optimism and to date, no material widespread credit weakness. The Iron Bay Fund returned +7.41% for the month and finished the 4th quarter +46.07%.

As 2020 comes to a close, it goes without saying that we have faced extraordinary challenges; the worst global pandemic in 100 years, social unrest, a contentious Presidential election with a deep polarization of beliefs and opinions, dramatic weather events (hurricanes, tornadoes, forest fires) and the first economic recession in ten years. The good news is that we can see the light at the end of the tunnel.

"Operation Warp Speed" has successfully produced three viable vaccines (with several more in final trial stages). Much needed stimulus has been passed to support the economy and the many small businesses that have been drastically impacted by the pandemic. Distribution of the vaccine cannot come fast enough to restore some measure of normalcy to everyday lives.

The most recent stimulus provides for additional lending facilities and monetary support to manage through the second wave of the virus, that in many ways has been worse in number than the first wave. The speed and scale of monetary and fiscal policy has helped to reduce the severity of the global economic downturn.

The Federal Reserve will remain accommodative, including continued bond buying and lower rates in an effort to avoid a rise in defaults and/or widespread credit issues. The Fed's release of the positive results of the second round of the Dodd-Frank Act Stress Test (DFAST) in Q4 helped maintain positive momentum and fueled optimism for 2021.

The outcome of the latest DFAST stress tests showed that 33 of the largest domestic financial institutions are currently maintaining adequate/strong capital levels under the Fed's two (hypothetically created) severe testing scenarios. The tests featured sample global downturns with significant downward pressure on the financial markets. Projected losses under the recent stress testing scenarios exceeded $600 billion, this was considerably larger than the testing scenarios in the June of this year. The large capital reserves build from the first half of the year appears to adequately cover a material increase in financial exposure. All firms tested were above the minimum risk-based capital requirements.

(continued)

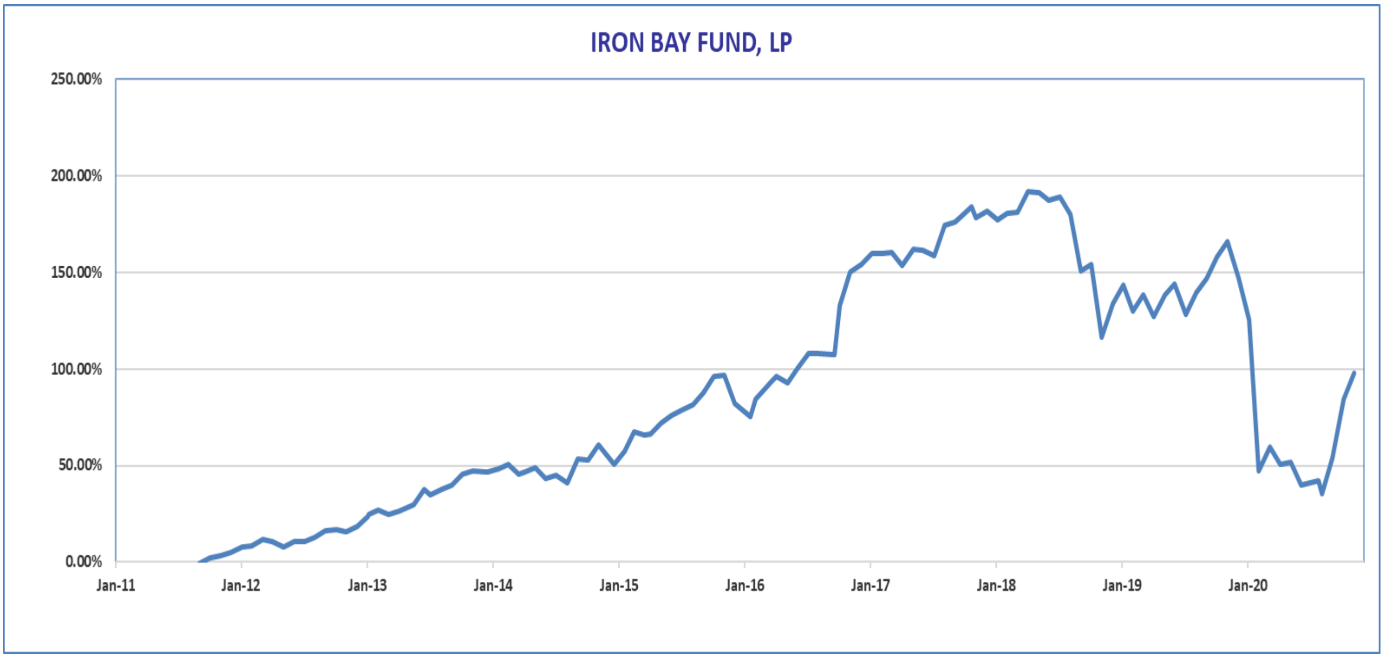
As a result of the positive stress tests, regulators have gone ahead and announced a renewed outlook towards the resumption of share repurchase activity as well as dividends. Specifically, "bell-weather" banks like JP Morgan announced they have been authorized to restart a new $30 billion share buyback programs while also re-affirming their dividend plans.

Banks nationwide have been focused on conservative loan loss provisioning and are preparing for the unknown. We believe that this elevated buildup of capital reserves has the potential to drive earnings power in coming quarters. Now with the vaccine, banks have received greater clarity as to peak losses. Bank balance sheets are flush with deposits as loan growth has remained muted. A positive has been continued reduction of deposit costs and banks adding to securities portfolios to build some margin protection. Additionally, expense initiatives and branch rationalizations, have allowed banks another lever towards profitability in a challenging environment. Assuming the economy does not falter, and we do not enter another recession, we would expect a meaningful increase in consolidation activity. The need for technology enhancements and modernization of systems is yet another strong reason for banks to seek out partners. Banks are facing a prolonged period of low interest rates which again will force additional constructive conversations for M&A.

In closing, we see several bullish catalysts developing in the coming quarters for banks. We are encouraged by the over-provisioning, but we also see a strengthening economy, lower requests for loan modifications and deferrals, cost control programs and rationalizations, and ultimately the need for partnering conversations. The Federal Reserve has started approving larger banks to begin returning excess capital to shareholders in the form of share repurchases and dividends, which should have a positive impact and more favorable sentiment for the sector. Despite the recent rebound in bank stock valuations, P/TBV multiples remain below historical average levels.

If you would like to hear more about our outlook for the coming quarters, please feel free to call on us. Happy New Year.

GRAPH:



Iron Bay Fund, LP

IRON BAY CAPITAL

RETURN DATA:

Total Return Since Inception	+97.78%
Annualized Return from Inception	+7.60%
Average Monthly Return	+.79%
Std. Deviation of Monthly Return	+5.70%
Sharpe Ratio Since Inception	.35
Beta Since Inception vs. S&P 500	.62

	IRON BAY FUND, LP	NASDAQ BANK INDEX	RUSSELL 2000
December 2020	+7.41%	+8.94%	+8.51%
YTD	(25.71%)	(10.63%)	+18.36%
Last 3Y (Annualized)	(10.79%)	(3.83%)	+8.75%
Last 5Y (Annualized)	+.09%	+4.45%	+11.70%
Inception (Annualized)	+7.60%	+9.36%	+11.32%

**All Iron Bay Fund, LP returns are reported NET OF 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 US 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.