



DESCRIPTION OF STRATEGY

Spitfire is a value-oriented investor in publicly-traded, smaller capitalization companies. We invest in market share leading businesses which generate excess cash, possess substantial financial flexibility and demonstrate increasing intrinsic value. Our investments offer the potential for significant upside over a multi-year holding period while benefitting from a substantial margin of safety. Most of our targets are underfollowed by sell side analysts and institutional investors and are often attractive acquisition candidates. Since inception, fifteen companies, representing approximately 25% of our investments, have been acquired by strategic or financial buyers.

CURRENT MONTH PERFORMANCE

In November, The Spitfire Fund L.P. was down -0.5% (net), which compares with the Russell 2000 and S&P 500 which were up +0.1% and +2.7%, respectively. Year to date, the Fund is up +6.3% (net), which compares to the Russell 2000 and S&P 500 which are up +2.0% and +14.0%, respectively. Since inception, the Fund is up +146.2% (net), ahead of the Russell 2000 and S&P 500 which are up +55.9% and +61.0%, respectively. November was relatively uneventful as the portfolio digested its October move. We are actively screening for new ideas and are working on some promising ideas.

HISTORICAL PERFORMANCE METRICS, NET (UNAUDITED)

through 11/30/14

	The Spitfire Fund L.P.	Russell 2000	S&P 500
Last 3 Months Return	2.1%	0.2%	3.7%
Last 12 Months Return	9.9%	4.0%	16.9%
Last 36 Months Return	86.6%	65.8%	76.8%
Last 60 Months Return	178.2%	116.4%	109.6%
Cumulative return since inception ¹	146.2%	55.9%	61.0%
Fund outperformance versus index ¹	-	90.3%	85.3%
Compound annual rate of return ¹	12.9%	6.2%	6.6%
% of Months where Fund beats index ¹	-	55.1%	55.1%
% of Months Positive ¹	68.5%	60.7%	64.0%

(1) Metrics based on net performance from 7/1/2007 through 11/30/2014.

RISK STATISTICS²

through 11/30/14

	The Spitfire Fund L.P.	Russell 2000	S&P 500
Beta	1.0	1.5	1.0
Annualized Sharpe Ratio	0.9	0.3	2.0
Annualized Standard Deviation	11.3%	15.4%	8.2%
Correlation Coefficient	0.7	0.8	1.0

(2) Metrics based on monthly performance over the trailing twelve month period. Beta and Correlation is relative to the S&P 500.

HISTORICAL PERFORMANCE, NET (UNAUDITED)

through 11/30/14

	2008	2009	2010	2011	2012	2013	2014	Indexed Performance Since Inception		
January	(11.7%)	4.8%	(1.8%)	(2.5%)	4.3%	3.4%	(1.8%)	\$2,600		
February	1.1%	(6.1%)	1.5%	4.6%	3.4%	1.6%	6.5%	\$2,400		
March	(4.3%)	1.3%	7.2%	2.8%	5.4%	2.4%	0.4%	\$2,200		
April	2.5%	11.6%	4.2%	2.0%	2.0%	(2.8%)	0.4%	\$2,000		
May	9.1%	15.4%	(2.2%)	0.3%	(2.2%)	5.3%	(0.9%)	\$1,800		
June	(6.2%)	4.4%	2.2%	0.4%	4.6%	1.7%	0.2%	\$1,600		
July	(3.8%)	6.6%	3.7%	(2.6%)	(1.1%)	2.4%	(2.6%)	\$1,400		
August	8.1%	2.7%	(4.5%)	(7.4%)	3.4%	(2.3%)	2.1%	\$1,200		
September	(5.8%)	3.9%	3.0%	(8.0%)	3.3%	7.0%	(3.6%)	\$1,000		
October	(23.7%)	0.9%	5.3%	12.2%	1.1%	1.0%	6.5%	\$800		
November	(12.0%)	5.0%	3.4%	(0.3%)	1.2%	3.0%	(0.5%)	\$600		
December	2.9%	9.1%	10.6%	3.6%	2.5%	3.4%		\$400		
Spitfire	(39.4%)	75.6%	36.6%	3.6%	31.5%	28.9%	6.3%			
Russell 2000	(33.8%)	27.2%	26.9%	(4.2%)	16.4%	38.8%	2.0%			

Performance is unaudited and net of fees and expenses. Indices assume dividend reinvestment.

PORTFOLIO MANAGER'S BIOGRAPHY

Julian Allen (julian@spitfirecap.com)

Julian has over 18 years' professional hedge fund and private equity investing experience. Before starting Spitfire, Julian was a Member of Cannell Capital LLC, a San Francisco-based hedge fund, where he invested in neglected small capitalization equities. Previously, Julian was a Managing Director of J.H. Whitney & Co. LLC, a private equity investor with over \$5 billion under management. Julian started investing at Patricof & Co. Ventures, Inc., now Apax Partners, and was a founding Principal of Capital Z Partners. Julian holds an MBA with High Distinction from the Harvard Business School, where he graduated as a George F. Baker Scholar, and a B.A. (Hons) from Cambridge University.

ADMINISTRATIVE

Prime Broker	Wells Fargo Securities, LLC	Fund Administrator	Strata Fund Solutions, LLC
Auditor	KPMG LLP	Legal	Cole-Frieman LLP & Morrison Cohen LLP

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This communication is not an offer to sell or a solicitation to buy interests in the Fund, which are made only pursuant to the Fund's Offering Memorandum. An investment in the Fund involves a high degree of risk and is suitable only for sophisticated and qualified investors. Please see the formal offering documents for full details regarding risks, minimum investment, fees, and expenses. Past performance is no guarantee of future results.

Performance calculations are based on an investment made in the fund on July 1, 2007. Performance is shown net of all fees and expenses and is unaudited. Returns may vary by limited partner depending on date of investment, high water mark if applicable, participation in new issues and differing management and incentive fees.

The Russell 2000 and S&P 500 are not directly comparable to the Fund's performance. The presentation of this index data does not reflect a belief by the Fund that the index is an investment alternative to the Fund or is comparable to the Fund in any way. The data is included only to provide some indication of equity securities markets generally during the periods for which the Fund's performance is presented. Index returns assume reinvestment of dividends.

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