

DESCRIPTION OF STRATEGY

Spitfire is a value-oriented investor in publicly-traded, generally smaller and mid-capitalization companies. We invest in market share leading businesses which generate excess cash, possess substantial financial flexibility and demonstrate increasing intrinsic value over time. 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 companies are underfollowed by sell side analysts and institutional investors and are often attractive acquisition candidates. Since inception, eighteen companies, representing approximately 20% of our investments, have been acquired by strategic or financial buyers.

CURRENT MONTH PERFORMANCE

In November, The Spitfire Fund L.P. (the "Fund") was up +0.3% (net), which compares to the Russell 2000 and S&P 500 which were up +2.9% and +3.1%, respectively. Year to date, the Fund is up +9.7% (net), versus the Russell 2000 and S&P 500 which are up +15.1% and +20.5%, respectively. Since inception, the Fund has compounded capital at +12.3% (net) annually, versus the Russell 2000 and S&P 500 which have compounded annually at +7.6% and +7.9%, respectively. During the month, there was wide dispersion within the portfolio, with strong performance from Beacon Roofing Supply, Inc. (NASDAQ: BECN), Builders FirstSource, Inc. (NASDAQ: BLDR) and GTT Communications, Inc. (NYSE:GTT), offset by weakness in Blue Bird Corporation (NASDAQ: BLBD) and Horizon Global Corporation (NYSE: HZN). Since the end of the third quarter, we have lowered our gross long exposure and increased our cash position from about 13% to 20%.

HISTORICAL NET PERFORMANCE <sup>1</sup>

through 11/30/17

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Spitfire	R2000	S&P500	Value
2017	(1.5%)	(0.2%)	(1.4%)	4.5%	0.4%	(0.7%)	0.6%	2.0%	5.7%	(0.1%)	0.3%		9.7%	15.1%	20.5%	\$3,344.55
2016	(8.9%)	0.8%	10.6%	0.7%	2.1%	(0.9%)	6.8%	1.7%	1.0%	(1.9%)	8.3%	2.9%	24.0%	21.2%	11.9%	\$3,048.63
2015	(4.1%)	8.5%	3.6%	(1.2%)	2.3%	1.3%	(2.7%)	(3.6%)	(2.7%)	3.0%	0.3%	(4.6%)	(0.7%)	(4.4%)	1.4%	\$2,458.71
2014	(1.8%)	6.5%	0.4%	0.4%	(0.9%)	0.2%	(2.6%)	2.1%	(3.6%)	6.5%	(0.5%)	0.6%	6.9%	4.9%	13.7%	\$2,476.27
2013	3.4%	1.6%	2.4%	(2.8%)	5.3%	1.7%	2.4%	(2.3%)	7.0%	1.0%	3.0%	3.4%	28.9%	38.8%	32.4%	\$2,316.85
2012	4.3%	3.4%	5.4%	2.0%	(2.2%)	4.6%	(1.1%)	3.4%	3.3%	1.1%	1.2%	2.5%	31.5%	16.4%	16.0%	\$1,797.81
2011	(2.5%)	4.6%	2.8%	2.0%	0.3%	0.4%	(2.6%)	(7.4%)	(8.0%)	12.2%	(0.3%)	3.6%	3.6%	(4.2%)	2.1%	\$1,366.79
2010	(1.8%)	1.5%	7.2%	4.2%	(2.2%)	2.2%	3.7%	(4.5%)	3.0%	5.3%	3.4%	10.6%	36.6%	26.8%	15.1%	\$1,319.18
2009	4.8%	(6.1%)	1.3%	11.6%	15.4%	4.4%	6.6%	2.7%	3.9%	0.9%	5.0%	9.1%	75.6%	27.1%	26.5%	\$ 965.91
2008	(11.7%)	1.1%	(4.3%)	2.5%	9.1%	(6.2%)	(3.8%)	8.1%	(5.8%)	(23.7%)	(12.0%)	2.9%	(39.4%)	(33.8%)	(37.0%)	\$ 549.97
2007							(1.1%)	1.2%	2.5%	(1.8%)	(13.1%)	3.6%	(9.3%)	(7.6%)	(1.3%)	\$ 907.10

(1) Performance is unaudited and net of all fees and expenses. Value assumes \$1,000 invested at inception on July 1, 2007.

HISTORICAL NET PERFORMANCE METRICS

through 11/30/17

	The Spitfire Fund L.P.	Russell 2000	S&P 500
Last 12 Months Return	12.9%	18.3%	22.8%
3 Year Annualized Return	10.7%	11.1%	10.9%
5 Year Annualized Return	13.8%	15.0%	15.7%
10 Year Annualized Return	14.3%	8.7%	8.3%
Annualized Return since Inception	12.3%	7.6%	7.9%
Cumulative Return since Inception	234.5%	113.5%	120.3%
Fund Outperformance since Inception	-	121.0%	114.1%
% of Months where Fund beats Index <sup>2</sup>	-	51.2%	54.4%
% of Months Positive <sup>2</sup>	66.4%	62.4%	66.4%

(2) Metrics based on net performance since inception.

RISK STATISTICS <sup>3</sup>

through 11/30/17

	The Spitfire Fund L.P.	Russell 2000	S&P 500
Beta	0.9	1.1	-
Correlation Coefficient	0.7	0.8	-
Annualized Standard Deviation	13.5%	14.1%	10.1%
Annualized Sharpe Ratio	0.8	0.8	1.0

(3) Metrics based on monthly net performance over the trailing three year period. Beta and Correlation Coefficient are relative to the S&P 500.

PORTFOLIO MANAGER'S BIOGRAPHY

Julian Allen has over 20 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 known as 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 M.A. (Hons) from Cambridge University.

FIRM INFORMATION

Firm AUM	\$284 Million	Prime Broker	Wells Fargo Securities, LLC
Fund AUM	\$134 Million	Auditor	KPMG LLP
Fund Administrator	Strata Fund Solutions, LLC	Legal Counsel	Cole-Frieman & Mallon LLP

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This document is not an advertisement, is not intended for public use or distribution, and does not constitute an offer to sell or a solicitation to purchase interests in the Fund. Any such offer or solicitation shall be made only pursuant to the Fund's confidential Private Placement Memorandum, Limited Partnership Agreement and Subscription Documents (collectively, the "Offering Documents").

An investment in the Fund is speculative and involves a high degree of risk, including loss of principal, and is suitable only for sophisticated and qualified investors. Please see the Offering Documents for full details regarding the investment strategy, risk factors, fees, expenses, liquidity terms, conflicts of interests and minimum investment amounts.

Historical performance metrics are based on an investment made in the Fund at inception on July 1, 2007. Fund 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. Past performance is no guarantee of future results and there can be no assurance that the Fund will achieve comparable results in the future.

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

Any reference to "margin of safety" does not imply that investments made by the Fund are safe. "Margin of safety" is an investment term that refers to the difference between the intrinsic value of a security and its market price.

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