

3rd Quarter and 2015 YTD Performance Report <sup>(1)(2)</sup>	2015 Q3	2015 YTD	Inception To Date	Average Annual Return
<b>ADW Capital Partners, L.P.</b>				
Gross Return	0.01%	13.40%	331.10%	36.02%
Net Return	-0.46%	9.21%	240.04%	29.39%
<b>Major Market Indices</b>				
Dow Jones	-6.91%	-6.93%	56.88%	9.94%
S&P 500	-6.44%	-5.29%	67.18%	11.43%
NASDAQ	-7.09%	-1.61%	82.29%	13.47%
Russell 2000	-11.92%	-7.73%	49.38%	8.82%

(1) The table above reflects the performance of the Fund for the current quarter, year-to-date and since inception of the Fund. Net returns are net of underlying management and performance fees and expenses as well as brokerage and/or custodial fees and expenses. All returns include the reinvestment of dividends and other earnings. Quarterly and year-to-date figures are estimates and unaudited and have been calculated by the Fund's independent administrator, SS&C Fund Services. The Fund's performance results have been audited for calendar years 2011, 2012, 2013, and 2014 by the Fund's independent auditor, Marcum LLP. Inception-to-date figures incorporate audited results from prior years and unaudited results from the current year. Statements from the fund's prime broker (BTIG) and custodian (Goldman Sachs) can be provided upon further request. Past performance is not necessarily an indication of future performance or profitability. See Important Notes on **page 4**.

(2) References to Dow Jones, S&P 500, NASDAQ, Russell 2000 and other indices are for informational purposes only. See Important Notes on page 4.

Dear Partners,

It is our pleasure to report results for the 3rd quarter of 2015 and our 19<sup>th</sup> quarter since inception.

At the risk of sounding like a broken record, we want to reiterate a critical point discussed in all quarterly letters. ADW Capital Partners, L.P. (the "Fund") operates a concentrated, tax-sensitive and long-term strategy designed to minimize correlation to the broader indices with a focus on **avoiding permanent capital loss**. Inevitably, this approach will result in periods of underperformance. By the same token, our efforts to maintain a lower correlation strategy driven by company-specific outcomes may produce significant outperformance in periods of market weakness, as we saw in 2011. We are not traders, return chasers or month-to-month stock jockeys. We are **investors** who look for opportunities to return multiples on the Fund's capital in a tax-efficient manner over an extended period of time. While this strategy may yield lumpy results, we believe it limits idea dilution and protects the Fund's returns from Uncle Sam and Wall Street.

#### **Portfolio Update -- Our Patient Approach at Work:**

While the Fund is not always in a position to discuss names in the portfolio because we are actively adding or subtracting to a position, we do like to update our partners on certain situations when we feel it is appropriate and not detrimental to the Fund's activities.

##### *Imvescor Restaurant Group (TSX:IRG)*

The Fund initially profiled our investment in Imvescor – "IRG" in our 3Q 2013 letter. At our initial purchase price – CAD \$1.50, we believed we were purchasing a stable of underinvested but stalwart brands in the Canadian casual dining industry at roughly 5x EBIT(DA). The Company's valuation was at least half of the peer groups and felt that it provided a substantial margin of safety. Given the stability of the Company's cash flows and the immense G&A synergies available to a strategic buyer (\$6-10 mm), we perceived our worst case would be a sale of the Company to a competitor at a 75 – 100 percent premium.

While Imvescor did not necessarily play out the way we had initially expected, our underwriting case allowed us a second bite at the apple. It turned out that original management (CEO) of Imvescor was really more of an investment banker than restaurateur and was strangling franchisor/franchisee relationships. The CEO then convinced the Board to put the Company up for sale. We were initially excited about the announcement of the strategic alternatives process but our research revealed that there were flies in the ointment that were ultimately going to prevent a sale at an optimal price. The Board ultimately concluded the process and realized that the best course of action was to bring in a top class CEO to reinvigorate the Company and its brands. Frank Hennessy was appointed just about a year ago and in that very short period has convinced the vast majority of the Company's franchise partners to renovate their stores while simultaneously lowering their food costs and returning them to positive same store sales. While the investment has been somewhat of a roller coaster effectively round tripping from September 2013 to September 2014, the Fund has earned roughly a 30 percent IRR on its investment (including dividends) to date and is hugely optimistic that Frank and his team will be able to take the Company to the next level.

*Diamond Resorts International (NYSE:DRII)*

We initially profiled our investment in Diamond Resorts (DRII) in our 1Q 2014 letter. We were attracted to Diamond by the highly recurring nature of the Company's cash flows, the imminent refinancing opportunity available, and the Company's extremely high insider ownership. The Company was trading at roughly **4x 2015 FCF** when we first began purchasing shares. Today the Company's shares have appreciated over sixty percent since we first purchased them and still trade at **4x 2016 FCF**. Last week the Fund in conjunction with another large shareholder shared its views on the Company's material undervaluation. You can find the letter here at:

<http://finance.yahoo.com/news/frontfour-capital-adw-capital-send-110000077.html>

We believe management's alignment and prior history/experience in private equity provides a nice framework for value creation going forward. While we have full faith that Management / the Board will take the necessary steps to maximize shareholder value, the Fund is committed to narrowing the valuation gap and will monitor the team's actions closely.

**Operational Update/Conclusion:**

The Fund is doing well in 2015 and continues to grow. We have settled into our new office at 1133 Broadway and would encourage you to stop by and see us anytime. We want to thank all of you again for the opportunity to steward your capital and look forward to many more years with you as partners.

As always, we are available to answer any and all of your questions regarding the operations of the Fund or about the exciting opportunity set we are currently deploying capital into.

Regards,

Adam D. Wyden

**IMPORTANT NOTES**

This report is being furnished by ADW Capital Management, LLC ("**ADW**") on a confidential basis to existing limited partners in ADW Capital Partners, L.P. (the "**Fund**") and does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. This report is being provided to existing limited partners for informational purposes only, and may not be disseminated, communicated or otherwise disclosed by the recipient to any third party without the prior written consent of ADW. Any offer or solicitation of an investment in the Fund may be made only by delivery of the Fund's confidential private offering memorandum to qualified investors.

An investment in the Fund involves a significant degree of risk, and there can be no assurance that its investment objectives will be achieved or that its investments will be profitable. Unless otherwise noted, the performance results of the Fund included in this report are presented on a net-of-fees basis and reflect the deduction of, among other things, underlying management and performance fees and expenses as well as brokerage and/or custodial fees and expenses. Performance results also include the reinvestment of dividends and other earnings. Certain of the performance information presented in this report are unaudited estimates based upon the information available to ADW as of the date hereof, and are subject to subsequent revision as a result of the Fund's audit. An investor's actual performance and actual fees may differ from the performance information shown due to, among other factors, capital contributions, withdrawals and eligibility to participate in "new issues." The value of investments can go down as well as up. Past performance is not necessarily an indication of future performance or profitability. An investment in the Fund is subject to a wide variety of risks and considerations as detailed in the confidential private offering memorandum of the Fund.

References to Dow Jones, S&P 500, NASDAQ, Russell 2000 and other indices herein are for informational and general comparative purposes only. There are significant differences between such indices and the investment program of the Fund. The Fund does not invest in all or necessarily any significant portion of the securities, industries or strategies represented by such indices. References to indices do not suggest that the Fund will, or is likely to achieve returns, volatility or other results similar to such indices.

This report and the accompanying discussion include forward-looking statements. All statements that are not historical facts are forward-looking statements, including any statements that relate to future market conditions, results, operations, strategies or other future conditions or developments and any statements regarding objectives, opportunities, positioning or prospects. Forward-looking statements are necessarily based upon speculation, expectations, estimates and assumptions that are inherently unreliable and subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements are not a promise or guaranty about future events.

The information in this presentation is not intended to provide, and should not be relied upon for, accounting, legal, or tax advice or investment recommendations. Each recipient should consult its own tax, legal, accounting, financial, or other advisors about the issues discussed herein.