DHANDHO

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2017
ANNUAL REPORT

DHANDHO HOLDINGS
DHANDHO ZERO FEE FUNDS

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2017 Annual Report

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Dear Partner:

The annual reports of Dhandho Holdings and the Dhandho Zero Fee Funds have been merged into a single report. Although the various entities are separate and have unique mandates, they are affiliated: Dhandho Funds, which is the General Partner that manages the India Zero Fee Funds and Junoon Zero Fee Funds, is a subsidiary of Dhandho Holdings. There are plenty of investors who have invested in more than one of these vehicles. This merged approach will optimize your reading time and perhaps help save a tree or two.

Dhandho Holdings is in capital return and liquidation mode. Eventually all that will be left in it will be its ownership stake in Dhandho Funds and a sliver of marketable securities and cash. Investors in the Dhandho Zero Fee Funds may not be interested in the happenings at Dhandho Holdings so they are free to ignore that section below and skip ahead to page 7.

Dhandho Holdings

Should you find yourself in a chronically leaking boat, energy devoted to changing vessels is likely to be more productive than energy devoted to patching leaks.

\- Warren Buffett

Insurance is a very tough business. I also found that acquiring great private businesses at good prices is really hard. These two endeavors were the primary drivers behind founding Dhandho Holdings. Dhandho Holdings was thus a mistake. Once the mistake of founding Dhandho Holdings became obvious, I decided to shift vessels rather than patch leaks (Thank you Warren!).

Fahad and I have been focused on "putting the toothpaste back in the tube," returning capital to investors and winding down Dhandho Holdings – even if it was at a loss. The good news is that we have already returned 50% of the capital you contributed in 2014 ($5/unit). More distributions are expected over the next 2-3 years. As I write this missive the odds are high that we'll be able to return more than 100% of the $$$ all of you contributed. Yaaay!

But that is not all. After all these distributions are completed, Dhandho Holdings' main asset is likely to be the 100% General Partner (GP) interest in Dhandho Funds. If these funds scale and do well, there will be further distributions in the years ahead from the profits generated by Dhandho Funds. Today Dhandho Funds has about $84 million in assets under management (up from about $9 million a year ago and $0 two years ago). Anytime I make an investing mistake and get back all of my invested capital, I consider it a home run. None is happier than me that we're able to unwind this mistake gracefully.

We couldn't acquire a good private business, but we're building a great one from scratch! Building a great business with virtually no capital needs ever is the holy grail of entrepreneurship. Building such a business successfully is vastly superior to buying one. I have no idea what Dhandho Funds looks like in 10-15 years, but the odds are with us for a very acceptable result. As investors in Dhandho Holdings, you never signed up to owning a fractional GP interest in a few private funds, but you may well decide you can live with it.

Dhandho Holdings ended 2017 with an audited, final NAV of $4.92 per unit. This value is net of the $5 per unit cash distribution effective 12/31/17 that all investors received in early 2018. It also discounts and haircuts the final $15.4 million due to us over four years from the sale of Stonetrust Insurance. If we add back the $5/unit distribution and do not discount or haircut the $15.4 million receivable, then Dhandho's tangible NAV at 12/31/17 was $10.56/unit versus the $10/unit cost most of you incurred to buy these units in 2014.

Dhandho Holdings owns 100% of the General Partner interest of Dhandho Funds. It is important to note that no value is currently being ascribed to this ownership interest at this point because of the embryonic state of Dhandho Funds.

Sale of Stonetrust Insurance

Dhandho Holdings completed its sale of Stonetrust Insurance on 1/1/18. We bought Stonetrust for $63.5 million on 12/31/14 and sold it for $70.4 million. While we sold Stonetrust at a gain, we were carrying $6.8 million of intangibles and goodwill associated with the original Stonetrust acquisition on our balance sheet that disappeared once the sale closed on 1/1/18. Our audited NAV at year-end of $4.92 per unit is net of the intangibles and goodwill, and net of all closing costs associated with the sale of Stonetrust. Dhandho Holdings no longer has any intangible assets on its balance sheet.

As part of the sale agreement, $40 million cash was paid to us at closing and a second tranche of $15 million comes due in mid-2018 ($10.1 million of the second tranche has already been received). The final $15.4 million will come to us in payments on the first 4 anniversary dates of the transaction, subject to "holdbacks" in the event Stonetrust reports a deficiency of reserves on its pre-2018 claims. Cash from the purchase price that is due to Dhandho Holdings, but is not paid on time, accrues interest at an annual rate of LIBOR +5%.

Dhandho Holdings Distributions

As a result of Stonetrust's sale, we were able to push out a $5 per unit distribution to all Dhandho Holdings investors early in 2018. We will continue to issue distributions as we receive cash that is due to us from the Stonetrust sale and from sales in our public securities portfolio. We hope to make the next distribution of $1 - $2 per unit in Q1 2019, and another $2 - $3 per unit in Q1 2020. If we can make the distributions sooner, we will.

As with this first distribution, I intend to open up Pabrai Funds, the Dhandho India Zero Fee Funds and the Junoon Zero Fee Funds to Dhandho Holdings investors who wish to invest future distributions in those funds. The minimum initial investment in all three of those funds for Dhandho investors at those openings will be the amount they are receiving in that distribution. The distribution amount may also be the maximum that they can invest/add to a particular fund at that time (this may vary by fund).

Dhandho Holdings Company Investments

In arriving at our year-end NAV, we determined it would be prudent to discount the $15.4 million receivable from Stonetrust due to us on the next four anniversary dates at a 10% discount rate. We also applied a 50% haircut to account for uncertainty in case Stonetrust reports any deficiencies that we are on the hook for. As a result, this is how Dhandho's assets were held on the books as of 1/1/18:

Net Assets (Liquid Securities, Cash, non-Stonetrust Sale Receivables – net of liabilities)	$47.9 million	$ 3.15
Receivable from Stonetrust Sale (not subject to Holdbacks)	$15.0 million	$ 0.99
Receivable from Stonetrust Sale (subject to Holdbacks), *discounted w haircut*	$5.7 million	$ 0.37
Investment in Tandem (12/31/17 audited value)	$6.0 million	$ 0.39
Dhandho Funds LLC Book Value	$0.3 million	$ 0.02
Total	**$74.9 million**	**$ 4.92**
Units	15.2 million	

Dhandho has approx. $48 million in liquid assets. This includes a small cash balance as well as investments in a handful of marketable securities, including some of my highest conviction picks. Dhandho will be liquidating some of our marketable securities at each distribution date. I hope to avoid destroying value by selling securities that are still well below intrinsic value.

Dhandho continues to own its interest in Tandem Fund III, a venture capital fund based in the Bay area. Dhandho committed $10 million to Tandem in 2015 and $6.5 million has been called to date. We expect the additional $3.5 million to be called within the next 1 – 2 years. As per the latest investor update from Tandem, its audited NAV at 12/31/17 is within 7% of initial invested capital, so our $6.5 million investment is now worth approx. $6 million. Tandem's NAV is adjusted anytime its underlying investments experience events that increase (or decrease) their valuations (e.g., close new financing rounds, sign new term sheets, or go out of business, etc.). Over time, as Tandem receives liquidity from its underlying investments, it will issue distributions to its investors, including Dhandho. We do not have any firm visibility on future distributions from Tandem at this time.

Dhandho Funds

Dhandho Funds was organized in 2016 as an investment advisor that is wholly owned by Dhandho Holdings. It serves as the General Partner of two private funds: the Dhandho India Zero Fee Funds and Junoon Zero Fee Funds. Dhandho Funds' offerings are differentiated primarily by their fair fee structure, which was copied from the original Buffett Partnerships of the 1950s. There are zero management fees, only performance fees, which are 25% of any profits above 6% on an annualized basis (with high water marks). We only make money when our investors make at least 6% per year.

We did not collect any fees from the Junoon onshore and offshore funds until each fund had at least $5 million in assets under management (this was a courtesy to early investors). Both funds breached that threshold at different points in 2017. Since it started to collect fees in mid-2017 through April 2018, Dhandho Funds has collected a total of $231k in fees from the Junoon funds, of which $163k was reinvested in the onshore fund in Dhandho Funds' name (deepening our alignment with our investors). Dhandho Funds has not collected any fees from the Dhandho India Zero Fee Funds since their recent launch in October 2017.

I am excited about the future of Dhandho Funds. The investment management business is my favorite business because of its handsome economics. The Junoon and India funds should continue to scale (with little to no additional overhead and expenses at Dhandho Funds) and, if they deliver the bacon, it will be a win-win for everyone.

Eating Our Own Cooking

Following the first $5/unit distribution, I gave Dhandho Holdings investors who wanted to exit an option to do so – and receive an additional $5/unit. Full exits were done at a slight premium to tangible book value to get to an even $10/unit so investors got back exactly what they invested.

I laid out the long case for Dhandho Holdings in the January 2018 quarterly letter to partners and recommended that investors not exit. However, for those who still wanted to exit, I said that I would be happy to buy their units. And if I exhausted my ability to buy, there were other investors that had expressed an interest to buy more units as well.

At the end of 2017, I was the only member of Dhandho's management team that owned units. My ownership stake was 6% of units outstanding. As Dhandho's dominant operating business becomes asset management, it is important that key personnel have large stakes so incentives are properly aligned. Thus Dhandho made loans to two key team members (not me) to enable them to buy Dhandho units from folks who preferred a full exit. These two team members were given top priority to buy as many units as they wanted from their own funds (in addition to the loaned funds). I am pleased to report that both took 100% of the loan offered to them (collectively $375,000) and inclusive of the loan they bought nearly $900,000 worth of units. For both of them it represents the overwhelming portion of their net worth (and then some). They are both deeply pregnant now with Dhandho. Both individuals paid a full $5/unit for each unit they bought.

To accommodate folks wanting to exit (and increase our stake), my family invested an additional $11.4 million to buy more Dhandho units. In addition, my family foundation, The Dakshana Foundation, bought $940,000 worth of units. Dakshana and my family's investment in Dhandho

Holdings is worth about $16.6 million at the 12/31/17 NAV and my family, other insiders and The Dakshana Foundation now own about 23% of Dhandho Holdings. It is important to note that Dhandho has never issued stock options or given units to management below fair value, etc. Every unit we own has been bought on the same terms as you.

Future Unit Buybacks from Investors Desiring Full Exits

Two investors in Dhandho Holdings expressed their disappointment to me about them not being given the opportunity to buy Dhandho units. They felt that insiders should not have such large preferences over other investors and that they had expected to be offered some units to buy. My dilemma was that investors who want to exit prefer a simple, assured transaction. They implicitly trust Dhandho management. A transfer of their units to a third party with wires from that third party to pay for the units may not have been perceived as being as straight forward as transferring units to me.

I discussed this issue with Dhandho's excellent board to figure out how we should balance various interests in the future. The board proposed a solution that I think is quite elegant. In the future if/when we offer full buyouts, we'll arrive at what we believe is a fair price based on tangible book value (with haircuts and discounts for future receivables that are subject to adjustments). If Dhandho Funds has scaled and is generating fees, we'll ascribe a value to it as well and include it in the per unit full exit offered price.

We'll offer this price/unit to anyone who wishes to exit. We'll also request folks who would like to buy units to identify themselves. When we do the distributions, we'll hold back the distributions of the potential buyers. Then we'll pro-rata divide the units being sold by investors based on the distributions held in escrow. We will however give insiders and the board (excluding me) a chance to buy as many units as they prefer first. We will also likely offer more loans to the two insiders to help them further increase their stake.

Asset management companies like Dhandho Funds face a dilemma after they are very successful and generating lots of fees. How much of those fees belong to the team and how much belong to the owners? What is a fair split? If team ownership is large enough, the tension dissipates. In an ideal world I'd like insider stakes to be large enough that the team considers it fair that the bulk of the spoils go to the owners.

Having said all this, my advice to all Dhandho investors is constant: copy what Mohnish does. Do not sell units to him when he is enthusiastically buying! Hang on to your units and do not offer them for sale to anyone.

The Dhandho Zero Fee Funds

Dhandho India Zero Fee Funds

The Dhandho India Zero Fee Funds were launched on October 1, 2017. The updated performance numbers are:

Dhandho India Zero Fee Fund LP (US Qualified Purchasers) Performance Summary:

	S&P 500	India US (net to investors)
10/1/17 - 12/31/17	**6.6%**	**1.1%**
1/1/18 - 3/31/18	**-0.8%**	**-8.7%**
Cumulative	**5.8%**	**-7.7%**

Dhandho India Zero Fee Fund Offshore Ltd. (Offshore/IRA Investors) Performance Summary:

	S&P 500	India Offshore (net to investors)
10/1/17 - 12/31/17	**6.6%**	**0.5%**
1/1/18 - 3/31/18	**-0.8%**	**-8.0%**
Cumulative	**5.8%**	**-7.6%**

There is not much to read here. The funds are still less than a year old. Most of our investments were made within the last few months and virtually everything I buy always proceeds to go down after I'm done buying ☺. I like what we own very much – and I expect the India Zero Fee Funds to do quite well over the long haul.

My visits to India have increased in frequency and I am very much enjoying finding gems to invest in, especially among small-cap companies in industries with major tailwinds. The funds have a mandate to invest at least 2/3 of assets in companies in India and I am very excited about where we have deployed our capital thus far.

Junoon Zero Fee Funds

The Junoon Zero Fee Funds had a solid 2017 and a good start to 2018. Junoon is now nearly two years old and these funds have delivered a 17.9 - 19.2% annualized return since inception, versus 16.4% for the S&P 500. Even during a period in which the S&P 500 has been a tough index for most active managers to beat, our portfolio of cannibals, spinoffs and cloned ideas is meaningfully ahead of the S&P 500.

The updated performance numbers of the Junoon Zero Fee Funds are:

Dhandho Junoon LP (US Qualified Purchasers) Performance Summary:

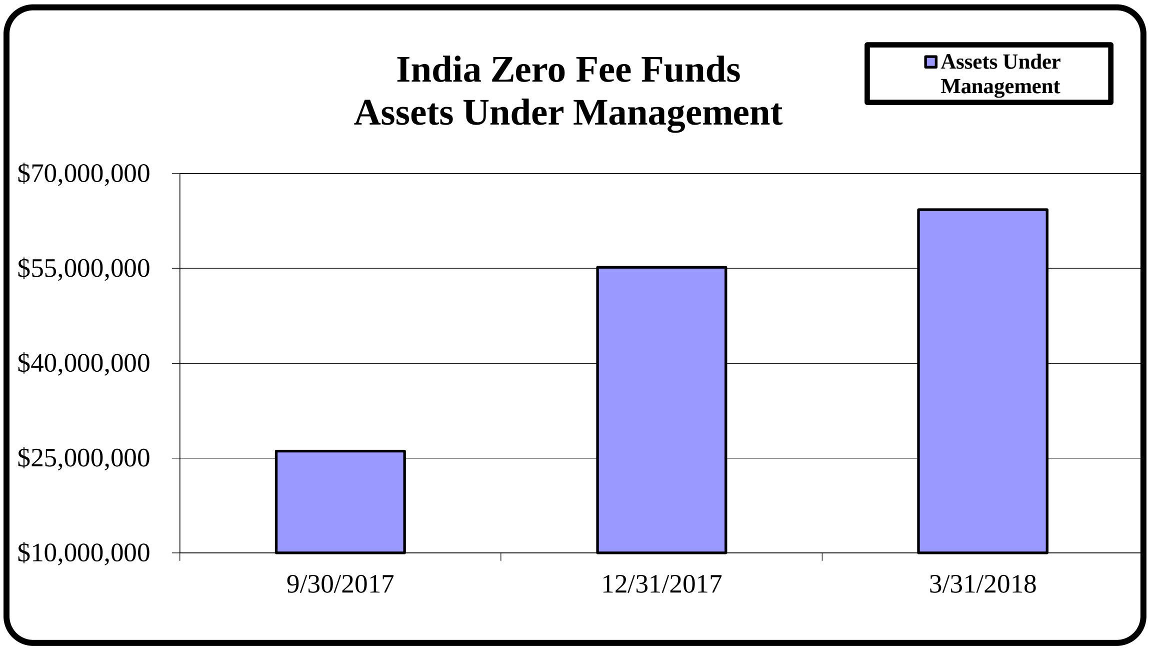
	S&P 500	Junoon US (net to investors)
7/1/16 - 12/31/16	**7.8%**	**12.9%**
1/1/17 - 12/31/17	**21.8%**	**15.6%**
1/1/18 - 3/31/18	**-0.8%**	**2.2%**
Annualized	**16.4%**	**17.9%**
Cumulative	**30.3%**	**33.4%**

Dhandho Junoon Offshore Limited (Offshore/IRA Investors) Performance Summary:

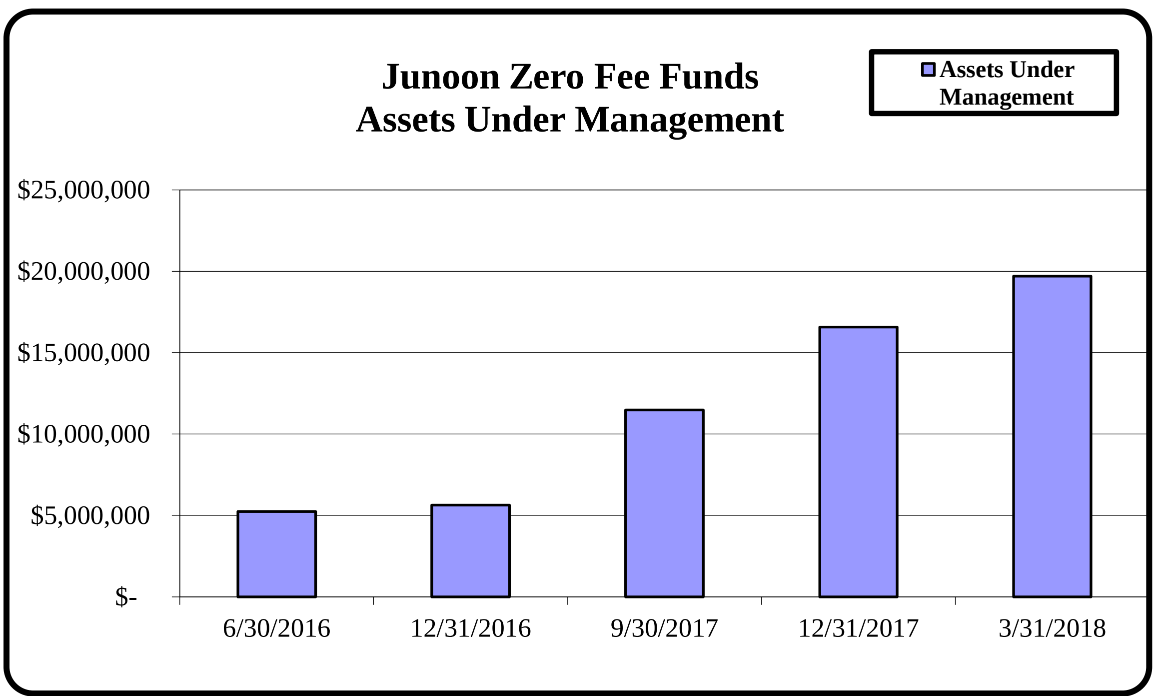
	S&P 500	Junoon Offshore (net to investors)
7/1/16 - 12/31/16	**7.8%**	**12.6%**
1/1/17 - 12/31/17	**21.8%**	**17.8%**
1/1/18 - 3/31/18	**-0.8%**	**2.5%**
Annualized	**16.4%**	**19.2%**
Cumulative	**30.3%**	**36.0%**

Assets Under Management

There is $64.3 million in assets under management in the India Zero Fee Funds as of April 1, 2018.



There is $19.7 million in assets under management in the Junoon Zero Fee Funds as of April 1, 2018.



Why I worked to develop Junoon

While the India Fund is more in-line with the type of investing I have practiced in the last 19 years at Pabrai Funds, I never saw myself involved in the creation of a fund like Junoon that leverages algorithms to pick 20+ stocks. I am a fundamental, concentrated stock picker. My process is to look for mispriced securities through intensive research and analysis. So why on earth did I create Junoon? I thought it would be helpful to give some background.

My wife Harina runs a rooftop solar solutions business. In late 2014, an older client of hers requested me to look through his retirement investment portfolio and suggest a way to better allocate his assets. I wasn't looking for a project like this, but I liked the guy and decided to analyze his situation and give him my 2 cents. So, I asked him to get me a copy of all his various brokerage statements, including all IRAs, 401(k)s etc.

He had investments across a slew of different mutual funds, full service and brokerage accounts and some individual stocks and bonds. He and his wife had done reasonably well and did not need much income from the portfolio to maintain their current lifestyle. They mostly intended to pass these assets on to the next generation.

I suggested he get rid of all the financial advisors and consolidate the assets into one or two well-known discount brokers like Schwab and TD Ameritrade. And I suggested he move his entire equity allocation to a broad index like the S&P 500. I also suggested he invest in the S&P 500 through Vanguard or a low cost S&P 500 ETF. To his credit, I believe he executed on much of what I suggested.

My advice to the trustee (of my estate) could not be more simple: Put 10% of the cash in short-term government bonds and 90% in a very low-cost S&P 500 index fund. I believe the trust's long-term results from this policy will be superior to those attained by most investors -- whether pension funds, institutions, or individuals -- who employ high-fee managers.

- Warren E. Buffett's instructions on how to invest the governing trust he's leaving behind for his wife.

But as I reflected on my advice to him, it bothered me. The S&P 500 is a flawed index. It is market cap weighted, and the largest market cap stocks dominate the index. Normally, this is not an issue. Market cap weights typically reflect the dominant firms and sectors in the overall economy. But sometimes we get distortions. Like in 1999, dot coms which had never made a dime, made up a disproportionately large portion of the index. Or like today. The FAANG stocks (Facebook, Amazon, Apple, Netflix and Google's Alphabet) make up 11%+ of the S&P 500 – which gives them outsized weighting in the index.

Nearly 17 years ago, when I studied this, I found that, on average, it took 28 years for a business to enter the Fortune 500. And at an average age of 42, it was off the list. By the time a business enters the Fortune 500, it is usually already past its prime and secular decline may already be underway. Those numbers (28 and 42) are likely meaningfully lower today – which makes matters worse. Thus, the problem is not just the elevated valuations of FAANGs. Capitalism is brutal. Many of the largest market cap stocks of today simply aren't likely to be the largest in even just five years.

Equal weighting isn't the answer either since the constant rebalancing of equal-weighted indices leads to a lot of cutting of flowers and watering of weeds. There had to be a better way to index.

So, I started thinking of different approaches and began to backtest these strategies. I was mostly wandering in the dark as I had zero expertise in backtesting, point-in-time databases etc. This all changed when I was introduced to a highly talented team of quants at the UCLA Andersen Business School. All of them were pursuing MFE (Master of Financial Engineering) degrees. We began working with six of them part-time in the spring of 2015, and some of them joined us full-time over the years.

Over much of 2015, we ran a zillion backtests over several decades covering a plethora of strategies. The flaws of backtesting are numerous. We paid careful attention to non-confirmatory evidence. We promised ourselves to only bring to market a product that has strong theoretical and empirical underpinnings across a wide range of market conditions, if it delivered meaningfully better results over the S&P 500 over the long haul.

We eventually reached the promised land and launched the Junoon Zero Fee Funds in July 2016. "Junoon" is a word that occurs in many languages and cultures including Hindi, Urdu, Persian and Arabic; it loosely translates to "passionate revolution." We believe our strategy is truly unique and revolutionary.

A few years back, Charlie Munger made a casual remark to me - that if an investor did just three things, the end results would likely be better than many other approaches. He said investing in cannibals, cloned positions and spin-offs was a great way to go. Cannibals are the businesses that are buying back their stock (hence eating themselves). Cloning is looking at the highest conviction ideas of other great investors (through their required 13-F filings etc.). And finally spin-offs, have been shown to outperform over time (Joel Greenblatt's book, *You Can be a Stock Market Genius* is a great primer on spin-offs and why they work).

Charlie's advice was right on. Our backtests showed that a portfolio composed of a mix of cannibals, cloned positions and spin-offs did far better than anything else we tried and tested. And it was meaningfully superior in the long run over the S&P 500. Thus Junoon incorporates all three strategies in a single fund.

2017 Junoon Tweaks

The Junoon strategy is the product of intensive backtesting of over 10,000 man hours. However, from time to time, we will backtest new tweaks to the strategy and apply changes that are likely to improve results over time. In 2017, we had number of such tweaks, including reducing the number of stocks to 22, altering the frequency of our rebalancing to once per year and blacklisting a number of industries with characteristics we are not fond of. We will implement tweaks to the underlying algorithms of Junoon only when they show promise in our backtests and are likely to further improve long-term performance.

The Zero Fee Structure

The fee structure of the Dhandho India Zero Fee Funds and Junoon Zero Fee Funds is a reflection both of our commitment to generating value for investors and our belief in our product. We only get paid if the funds deliver better than 6% annualized. There are no management fees. Just performance fees, which are 0% until a 6% annualized return is delivered; above 6% investors keep ¾ of the gains and Dhandho Funds keeps ¼. For example, if a fund is up 10% in a year, Dhandho Funds gets 1% of AUM as a performance fee. If it is up 5%, we get nothing. It is a win-win proposition that puts us in full alignment with you.

No performance fees have been collected in the Dhandho India Zero Fee Funds since inception on 10/1/17.

We did not collect any fees from Junoon Zero Fee Funds until each had at least $5 million in assets under management (as a courtesy to the early investors). Both funds breached that threshold at different points in 2017. Since it started to collect fees in mid-2017 through April 2018, Dhandho Funds has collected at total of $231k in fees from the Junoon funds, of which $163k was reinvested in the onshore fund in Dhandho Funds' name (deepening our alignment with our investors).

Our Holdings

To minimize commitment and consistency bias, I am reticent to talk much about what we own while we own these assets. However, there is plenty of transparency on what we own. GAAP rules require Dhandho Holdings, the Dhandho India Zero Fee Funds and the Junoon Zero Fee Funds to list their significant assets – you can find these in the audit reports beginning on Page 19 of this annual report.

Please note, the offshore fund of the Dhandho India Zero Fee Fund was audited for the first quarter of its existence due to BVI requirements and that audit is included in this report. The onshore fund's first audit will be for the 15-month period between 10/1/17 and 12/31/18 and will be included in next year's report.

2017 Annual Meeting Transcript and Presentation

The Annual Meeting transcript and presentation slides are posted on our website. The transcript is best read in conjunction with the presentation slides. Here are the links:

http://dhandho-holdings.com/2017transcript/ (to access, the id: *dhandho* and pw: *wealth*).

https://vimeo.com/234044488 (to access, the pw: *Munger*)

An Exceptional Team

Fahad, Jaya, Lynn, Betsy, Valerie, Karen, Julie and Jennifer are simply a delight to work with. I have nothing but praise for the crew at Liccar, and Mike Froy at Dentons. Along with our offshore legal advisors Conyers, Dill and Pearman, our auditors, the Cayman PwC team, are a pleasure to work with. Ajay Desai and his group at UBS is our prime broker and custodian, and they are also very much a part of our team. Also part of our team is The Kotak Mahindra group, our custodian and broker for the India stock portfolio. And Finsec Legal Advisors, our legal advisor in India. I am blessed to be able to work with these exceptional groups in Irvine, Chicago, BVI, Cayman Islands and India. It makes my job a pure joy.

2018 Annual Meetings – Save the Date

There will be two annual meetings held sequentially in Orange County, California & Chicago. These meetings will cover Pabrai Funds, Dhandho Holdings and Dhandho Funds.

Prior to the California meeting on September 8, 2018, we will have the 5th Annual Gran Fondo Dhandho Bike Ride. It's a scenic ride around the Newport Estuary with views of the Pacific Ocean in Newport Beach, California. Biking can be a dangerous activity; we only want folks who are decent bikers on the ride. The ride begins at Starbucks in Newport Beach at 8:15 AM, and ends there around 10:30 AM. For folks that just wanna chill, you can come to the Starbucks at 10:30 AM and hang out with us bikers. Here is a link to the Starbucks location:

http://www.starbucks.com/store/18175/us/jamboree-bristol/3601-jamboree-road-newport-beach-ca-926602961

Several out-of-towners rented bikes from The Path Bike Shop last year. Here is a link to their website: http://www.thepathbikeshop.com/. They have a great selection of bikes and will deliver and pick up the bikes from your hotel. Bikers are best off staying at the Newport Beach Marriott Bayview, as it is less than 0.5 miles from our Starbucks rendezvous point. Here is a link to the hotel's website: http://www.marriott.com/hotels/travel/npbst-newport-beach-marriott-bayview/.

I hope you'll join me on Saturday morning to experience some of the magic of Southern California.

The **California** meeting is scheduled to be on **Saturday, September 8th, 2018** at 4:00 PM at:

Soka University
Performing Arts Center
1 University Drive, Aliso Viejo, California 92656 Tel. +1949.480.4000

Soka University has a spectacular campus nestled in the scenic hills of Aliso Viejo. It is a 20-minute drive from Orange County Airport (SNA), and about an hour drive from LAX.

There is a fantastic Marriott Club Sport hotel about 3 miles from Soka University:

Marriott Renaissance ClubSport
50 Enterprise
Aliso Viejo, CA 92656
Reservations: 800-468-3571
Phone: 949-643-6700

There are many hotels in the area. Here is a link to other hotels near Soka University:

http://tinyurl.com/8dmevvu

The **Chicago** meeting is thus scheduled to be on **Saturday, September 15th, 2018** at 4:00 PM at**:**

Carlucci's Restaurant
(The Auditorium)
6111 North River Road, Rosemont, Illinois 60018 Tel. +1847.518.0990

Carlucci's is a five-minute taxi ride away from O'Hare airport. The Marriott Suites O'Hare and The Westin O'Hare are both next to the restaurant. In addition, there are a plethora of hotels in the vicinity. Good deals on O'Hare hotels are usually available on the major travel-related websites.

Agenda:

4:00 – 4:30 PM:	Meet and Greet
4:30 – 6:30 PM:	Presentation and Q&A
6:30 PM:	Cocktails
7:15 PM:	Dinner (Chicago only)

In lieu of dinner in California, we'll have an extended cocktail hour with expanded appetizers (multiple food stations), and lots of tables to sit and chat.

The invites will go out electronically via email in July 2018. Look for it in your inbox! Your significant other and kids of all ages are welcome to attend. As we are now a Registered Investment Advisor, the SEC requires that all guests (excluding family members) must be "accredited investors." The invitation is non-transferable.

I look forward to seeing you in September.

Thanks for your continued interest and support. Feel free to call me at +1949.453.0609 or email me at mpabrai@dhandho-holdings.com with any queries or comments.

Warm regards,

Mohnish Pabrai

Appendix A

Dhandho Holdings Performance History (Net to Investors)

No. of Units	Date	NAV[1]
14,837,687	03/31/2014	$10.00
15,218,640	12/31/2014	$9.93
15,288,640	12/31/2015	$8.36
15,218,640	12/31/2016	$8.73
15,218,640	03/31/2017	$9.31
15,218,196	06/30/2017	$9.53
15,218,196	09/30/2017	$10.76
15,217,801	12/31/2017	$4.92[2]
15,217,801	03/31/2018	$4.99**estimate*[3]

[1] The NAV listed in this chart represents the NAV of Dhandho Holdings LP ("DHLP"), in which the majority of investor's interests are held. The NAV of Dhandho Holdings Qualified Purchaser LP ("DHQP") may differ slightly.

[2] The 12/31/17 NAV is net of the $5/unit distribution that was distributed to all partners in Q1 2018.

[3] The 3/31/18 estimated NAV applies a 10% discount and 50% haircut to the final $15.4 million Stonetrust sale receivable. If no discount or haircut is applied, the estimated NAV is $5.62/unit.

Appendix B

Dhandho India Zero Fee Fund LP's Performance History (Net to Investors)

No. of Units	Date	NAV
1,830,217	10/1/2017	$10.00
3,183,760	12/31/2017	$10.11
3,990,876	3/31/2018	$9.23

Dhandho India Zero Fee Fund Offshore Ltd. Performance History (Net to Investors)

No. of Units	Date	NAV
780,489	10/1/2017	$10.00
2,218,439	12/31/2017	$10.05
2,941,434	3/31/2018	$9.24

Appendix C

Dhandho Junoon LP's Performance History (Net to Investors)

No. of Units	Date	NAV
425,000	07/1/2016	$10.00
400,000	12/31/2016	$11.29
402,216	03/31/2017	$11.54
428,128	06/30/2017	$11.45
446,888	09/30/2017	$12.61
582,360	12/31/2017	$13.05
769,745	03/31/2018	$13.34

Dhandho Junoon Offshore Ltd. Performance History (Net to Investors)

No. of Units	Date	NAV
99,998	07/1/2016	$10.00
99,998	12/31/2016	$11.26
363,991	03/31/2017	$11.43
363,991	06/30/2017	$11.42
457,397	09/30/2017	$12.85
638,352	12/31/2017	$13.26
693,511	03/31/2018	$13.60

Dhandho Holdings, L.P.

REPORT OF INDEPENDENT AUDITORS
AND
AUDITED FINANCIAL STATEMENTS

December 31, 2017

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pwc

Report of Independent Auditors

To the General Partner of Dhandho Holdings, L.P.

We have audited the accompanying financial statements of Dhandho Holdings, L.P. (the "Partnership"), which comprise the statement of assets, liabilities and partners' capital, including the condensed schedule of investments, as of December 31, 2017, and the related statements of operations, of changes in partners' capital, and of cash flows for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Partnership's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dhandho Holdings, L.P. as of December 31, 2017, and the results of its operations, changes in its partners' capital, and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers

June 27, 2018

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Dhandho Holdings, L.P.
Statement of Assets, Liabilities and Partners' Capital
December 31, 2017
(expressed in United States dollars)

		2017
ASSETS		
Cash	$	50,578
Due from broker		10,261
Investments, at fair value (cost $104,077,480)		110,548,208
Interest and dividends receivable		31,505
Due from affiliates		17,825
Total assets	$	110,658,377
LIABILITIES AND PARTNERS' CAPITAL		
Due to affiliates	$	2,859
Accrued operating expenses		49,163
Distributions payable		55,731,942
Total liabilities		55,783,964
Partners' capital		
General partner		-
Limited partners		54,874,413
Total partners' capital		54,874,413
Total liabilities and partners' capital	$	110,658,377

The accompanying notes are an integral part of these financial statements.

Dhandho Holdings, L.P.
Statement of Operations
Year ended December 31, 2017
(expressed in United States dollars)

		2017
Investment Income:		
Dividends (net of withholding tax of $12,765)	$	200,666
Interest income		118,085
Total Investment Income		318,751
Expense:		
Professional fees		66,740
Management fees		136,231
Administration fees		43,945
Total operating expenses		246,916
Net Investment Income		71,835
Net realized and unrealized gain/(loss) on investments		
Net realized (loss) from securities		(605,221)
Net realized (loss) on foreign currency transactions		(34,372)
Net change in unrealized appreciation on securities		14,852,074
Net realized (loss) on investment in other funds		(6,658,471)
Net change in unrealized appreciation on investment in other funds		5,664,804
Net realized and unrealized gain (loss) on investments		13,218,814
Net increase in partners' capital resulting from operations	$	13,290,649

The accompanying notes are an integral part of these financial statements.

Dhandho Holdings, L.P.
Statement of Changes in Partners' Capital
Year Ended December 31, 2017
(expressed in United States dollars)

		General Partner		Limited Partners		Total
Balance January 1, 2017	$	-	$	97,319,907	$	97,319,907
Capital contributions				4,810,972		4,810,972
Capital withdrawals		-		(4,815,173)		(4,815,173)
Capital distributions				(55,731,942)		(55,731,942)
Increase in partners' capital resulting from operations		-		13,290,649		13,290,649
Balance, December 31, 2017	$	-	$	54,874,413	$	54,874,413

The accompanying notes are an integral part of these financial statements.

Dhandho Holdings, L.P.
Statement of Cash Flows
Year Ended December 31, 2017
(expressed in United States dollars)

		2017
Cash Flows from Operating Activities		
Net increase in partners' equity resulting from operations	$	13,290,649
Adjustments to reconcile net increase in partners' equity resulting from operations to net cash provided by operating activities:		
Net realized loss from securities		605,221
Net change in unrealized appreciation on securities		(14,852,074)
Net realized loss on investment in other funds		6,658,471
Net change in unrealized appreciation on investment in other funds		(5,664,804)
Purchase of equity investments		(75,392,920)
Sale of equity investments		66,422,840
Purchase of investment in other private investments		(1,831,000)
Distribution from other private investments		10,796,065
Change in other assets and liabilities:		
Due from Broker		(10,261)
Dividends and interest receivable		(31,505)
Due from affiliates		(2,859)
Due to affiliates		2,859
Accrued operating and trading expenses		49,164
Net cash provided by operating activities		39,846
Cash Flows from Financing Activities		
Partner withdrawals paid		(4,201)
Net cash used in financing activities		(4,201)
Net increase in cash		35,645
Cash:		
Beginning of year		14,933
End of year	$	50,578

Supplemental information:

Non-cash operating activities not included herein consist of an in-specie distribution in securities from DHC to the Partnership.	40,252,282
Non-cash financial activities not included herein consist of partner contributions and withdrawals as a result of transfers between limited partners. Refer to notes 5 and 6 for further information.	4,810,972

The accompanying notes are an integral part of these financial statements.

Dhandho Holdings, L.P.
Condensed Schedule of Investments
December 31, 2017
(expressed in United States dollars)

Number of Shares/Bonds		Value as a Percentage of Partners' Capital	Cost	Fair Value
	Common Stocks			
	United States			
	Financial Services	0.03%	$ 11,637	$ 14,470
	Total United States	0.03%	11,637	14,470
	India			
	Building Materials	0.36%	69,074	194,981
	Basic Materials	0.86%	231,029	471,537
	Consumer Goods			
161,830	Bombay Burmah Trading Corporation Limited	7.85%	3,662,100	4,309,953
	Other	1.99%	763,681	1,093,276
	Pharmaceuticals			
94,107	Piramal Enterprises Limited	7.69%	3,663,087	4,220,861
	Real Estate Property Development	2.30%	500,053	1,262,046
	Total India	21.05%	8,889,024	11,552,654
	Ireland			
	Air Services			
118,347	Aercap Holdings NV	11.35%	4,995,597	6,226,236
	Total Ireland	11.35%	4,995,597	6,226,236
	Netherlands			
	Financials			
105,797	Exor N V	11.83%	4,864,757	6,491,704
	Total Netherlands	11.83%	4,864,757	6,491,704
	United Kingdom			
	Automotive			
1,179,476	Fiat Chrysler Automobiles N.V.	38.35%	11,537,676	21,041,852
	Total United Kingdom	38.35%	11,537,676	21,041,852
	Total Common Stocks	82.60%	30,298,691	45,326,916
	Money Market Funds			
	United States			
7,363,785	UBS Select Treasury Institutional Fund Ltd.	13.42%	7,363,785	7,363,785
	Total Money Market Funds	13.42%	7,363,785	7,363,785
	Preferred Stocks			
	Canada			
	Real Estate			
125,956	Brookfield DTLA FD Office TR I Cum Ser A Preferred Clbl Par Value-25.00 USD 7.25%	6.61%	3,662,107	3,627,533
	Total Preferred Stocks	6.61%	3,662,107	3,627,533
	Corporate Bonds			
	Canada			
	Industrials			
6,042,000	Aimia Inc. Notes 5.6%, 5/17/19	8.78%	4,957,716	4,816,139
	Total Corporate Bonds	8.78%	4,957,716	4,816,139

The accompanying notes are an integral part of these financial statements.

Dhandho Holdings, L.P.
Condensed Schedule of Investments
Year Ended December 31, 2017
(expressed in United States dollars)

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Company Name	Investment	Value as a Percentage of Partners' Capital	Cost	Fair Value
Private operating companies				
Dhandho Holdings Corp.				
Corporation organized to make equity investments in privately				
and publicly held businesses. The Partnership owns 73.24%	Common Stock			
of Dhandho Holdings Corp.	(732 units)	81.54%	$ 53,629,340	$ 44,746,817
Dhandho Funds, LLC				
Limited Liability Company engaged in investment advisory.	Member Units		-	
The Partnership owns 73.24% of Dhando Funds, LLC.	(73 units)	0.46%	-	250,281
Total private operating companies		82.00%	53,629,340	44,997,098
Private equity funds				
Tandem III, LP *		8.05%	4,165,841	4,416,737
Total investment, at fair value		201.46%	$ 104,077,480	$ 110,548,208

* Objective of private equity fund: Primarily invest in securities of privately held companies building innovative technology businesses.
Redemption terms: Voluntary redemptions are not permitted. The Fund will continue until March 8, 2023 unless extended by agreement of the partners or is terminated prior thereto under circumstances provided for in the LP Agreement dated January 7, 2015.

The accompanying notes are an integral part of these financial statements. .

1. ORGANIZATION

Dhandho Holdings, L.P. (the “Partnership”) is a limited partnership organized in December 2013, pursuant to the laws of the State of Delaware. The purpose of the Partnership is to make equity investments in privately and publicly held businesses. In February 2014, the Partnership had its first closing with total contributed capital of approximately $112,165,000.

The affairs of the Partnership are managed by its general partner, Dhandho GP, LLC (the "General Partner"), a limited liability company organized under the laws of the State of California. The General Partner is a subsidiary of Dalal Street, LLC, an investment adviser registered with the U.S. Securities and Exchange Commission. Dalal Street, LLC and the General Partner are both controlled by Mohnish Pabrai, Managing Partner.

The Managing Partner, Mohnish Pabrai, holds an indirect interest in the Partnership through an Individual Retirement Account ("IRA") under the name of Ms. Harina Kapoor, Mr. Pabrai's spouse. Ms. Kapoor made a contribution of $187,600 through the IRA, which is invested in Dhandho Holdings Offshore, Ltd. The latter is an offshore feeder fund company incorporated under the laws of the British Virgin Islands that made a capital contribution of $37,250,866 to the Partnership. The General Partner holds Limited Partner interest of 7.15% through Dalal Street, LLC.

The General Partner has the overall responsibility for the management of the Partnership and provides portfolio management and administrative services. The General Partner will be paid a Management Fee, as described in note 6.

The Partnership owns 73.24% of the outstanding stock of Dhandho Holdings Corp (“DHC”), a corporation organized under the laws of the Commonwealth of Puerto Rico on October 31, 2014 for the purpose of investing in private and public enterprises. Shortly after its formation, the Partnership contributed $111.3 million to DHC. Effective December 31, 2014, DHC acquired 100% of the outstanding common stock of Stonetrust Commercial Insurance Company and subsidiary (together, “Stonetrust”) for approximately $35 million and contributed an additional $30 million to Stonetrust. Stonetrust is domiciled in the State of Nebraska and is engaged in providing workers compensation insurance.

On September 29, 2017, DHC entered into a Stock Purchase Agreement to sell Stonetrust for $70.4 million. The sale closed on January 1, 2018. Under the terms of the Stock Purchase Agreement, DHC received a payment of $40 million at the closing of the transaction and will receive $15 million within 135 days of the closing out of which $10.1 million was received in May of 2018. The final $15.4 million (the “Holdback Payments”) is paid out in payments over the course of four years as a warranty for future adverse development that may take place in the reserves at Stonetrust allocated to claims existing prior to closing. Interest will accrue on any payments not made when due. Assuming no adverse development, the Holdback Payments over the four years are paid $2 million per year on the first three anniversary dates of closing, and then $2 million plus the additional amount due to DHC on the fourth anniversary date.

The Limited Partnership Agreement (the "Agreement") provides for one class of Limited Partner Interest, which corresponds to the dollar amount of the Limited Partner's investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Partnership, which conform to U.S. GAAP include the following:

Basis of Presentation **-** Management has evaluated the Partnership's structure, objectives and activities and has determined that the Partnership meets the characteristics of an investment company. As such, the Partnership's financial statements apply the guidance set forth in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, *Financial Services – Investment Companies*.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the General Partner to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ significantly from those estimates.

Cash and Cash Equivalents **-** The Partnership considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Due From Broker - The amount shown as a due from broker represents a receivable from brokers as of December 31, 2017. For the year ended December 31, 2017 due from broker is $10,261.

Due From Affiliate – The amount shown as due from affiliate represents the amount paid by the Partnership in 2015 on behalf of Dhandho Holdings Qualified Purchaser, L.P. This amount was paid back to the Partnership in May of 2018.

Security Valuation - Investments listed on a national securities exchange are valued at their last sales price on the date of valuation on the primary exchange. In the event no such price is available for such date, then the last reported sale price within the last five-day period preceding the valuation date is utilized. If no such price is reported, then the security will be valued at the representative bid price at the close of business on the valuation date. Investments whose market quotations are not readily available are valued at fair value as determined in good faith under procedures established by the General Partner. Because of the inherent uncertainty of valuation, the estimate of fair value may differ from the values that would have been used had a ready market existed and the differences could be material. Money market funds are valued at net asset value per share, which approximates fair value. Notwithstanding the foregoing, if in the reasonable judgment of the Partnership, in its sole discretion, the listed price for any security held by the Partnership does not accurately reflect the value of such security, the Partnership may value such security at a price which is greater or less than the quoted market price for such security.

Corporate bonds are traded on a principal-to-principal basis in the over-the-counter market between counterparties such as brokers and dealers in securities and other market makers. Such financial instruments are valued at fair value using current market quotations provided by brokers and dealers and/or external pricing sources, including independent external pricing sources. Valuation using external pricing sources involves the use of both observable and unobservable valuation inputs in accordance with the fair value hierarchy, as set forth in accordance with the Partnership's valuation policy and FASB Accounting Standard Codification 820 ("ASC 820"). Corporate bonds transactions are recorded on the trade date. Realized gains or losses are determined using the identified cost method. Any change in net unrealized gain or loss from the preceding period is reported in the statement of operations.

Valuation of Investments **-** The Partnership values its investments in DHC, Dhandho Funds, LLC ("DF") and Tandem Fund III, L.P. (“Tandem”) at fair value as determined in good faith by the General Partner in accordance with ASC 820. Because of inherent uncertainty of valuations, estimated values may differ significantly from values that would have been used had a ready market for the investment existed, and the difference could be material.

Security Transactions and Income and Expense Recognition - Investment transactions are recorded on trade date. Income and expenses are recorded on the accrual basis and dividend income and capital gain distributions are recorded on the ex-dividend date net of foreign dividend withholding taxes. Realized gains and losses are recorded on the specific identification method.

Foreign Currency Transactions - Assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the year-end exchange rates. Purchases and sales of these assets and liabilities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Partnership does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of investments held.

Income Taxes - No provision is made in the accompanying financial statements for liabilities for federal, state or local income taxes since such liabilities are not the responsibility of the Partnership. Each partner is required to report on his/her income tax return his/her proportionate share of the items of income and deduction of the Partnership.

The Partnership executes trades on the Indian exchange and, therefore, may be subject to taxes levied in that country. The investments in common stock traded on the Indian exchange are subject to short-term capital gains tax at 15% and no long-term capital gains tax. The Partnership intends to hold the Indian securities for the long-term. For countries with double taxation treaties, the treaty rate prevails only if it is more favorable than the standard rate. As of December 31, 2017, $0 was accrued for these taxes.

On February 1, 2018, the Indian government proposed new tax legislation that seeks to impose a long-term capital gains tax of 10% on exchange traded equity instruments, effective April 1, 2018.

Management has continued to evaluate the application of Accounting Standards Codification ("ASC") 740, "Income Taxes", and has determined that no reserves for uncertain tax positions were required to have been recorded as a result of the adoption of ASC 740. Open tax years are those that are open for exam by taxing authorities. As of December 31, 2017, open tax years include the tax years ended December 31, 2014 through December 31, 2017. The Partnership is not aware of any examinations in progress. The Partnership has reviewed all open tax years and major jurisdictions and concluded that the adoption of these financial reporting rules resulted in no effect to the Partnership's financial position or results of operations. There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on the tax return for the fiscal year ended December 31, 2017. The Partnership is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefit will significantly change in the next twelve months.

3. FAIR VALUE MEASUREMENT

The Partnership has adapted financial reporting rules that establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 Inputs that are unobservable

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the General Partner. The General Partner considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the General Partner's perceived risk of that instrument. Investments whose values are based on quoted market prices in active markets, and are therefore classified within level 1, include active listed equities, and certain money market securities. The General Partner does not adjust the quoted price for such instruments, even in situations where the Partnership holds a large position and a sale could reasonably impact the quoted price. Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, are classified within level 2. These include investment-grade corporate bonds and less liquid listed equities. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The inputs used by the General Partner in estimating the value of the level 3 investment include the original transaction price, recent transactions in the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the General Partner in the absence of market information. The fair value measurement of level 3 investments does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by the General Partner due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Partnership's results of operations.

As permitted under U.S. GAAP, the General Partner uses, as a practical expedient, the net asset valuations provided by the underlying private investment company to value its investment in other funds when the net asset valuation of the investments are calculated in a manner consistent with U.S. GAAP for investment companies. However, if it is probable that the Partnership will sell an investment at an amount different from the net asset valuation or in other situations where the practical expedient is not available, the Partnership considers other factors in addition to the net asset valuation, such as features of the investment, including subscription and redemption rights, expected discounted cash flows, transactions in the secondary market, bids received from potential buyers, and overall market conditions in its determination of fair value.

During the year ended December 31, 2017, there were no such adjustments to fair value recorded. In accordance with ASU 2015-07, the Partnership's investment in other investment companies has not been categorized in the fair value hierarchy nor in a roll forward of investment activity.

(expressed in United States dollars)

The following table presents the financial instruments carried on the Statement of Assets, Liabilities and Partners' Capital by level:

	Assets at Fair Value as of December 31, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments				
Common stock	$ 45,326,916	$ -	$ -	$ 45,326,916
Money market funds	7,363,785	-	-	7,363,785
Preferred stock	3,627,533	-	-	3,627,533
Corporate bonds	-	4,816,139	-	4,816,139
Private operating companies	-	-	44,997,098	44,997,098
Total investments	$ 56,318,234	$ 4,816,139	$ 44,997,098	$ 106,131,471

There were no transfers in and out of either Level 1, Level 2 or Level 3 as of or during the year ended December 31, 2017.

As of December 31, 2017, the Partnership owns 73.24% of the outstanding common stock of DHC with an estimated market value of approximately $44.7 million. DHC is valued using the net asset value. This consists primarily of its investment in Stonetrust and cash. Stonetrust was sold with an effective date of January 1, 2018 for $70.4 million. Under the terms of the Stock Purchase Agreement, DHC received a payment of $40 million at the closing of the transaction and will receive $15 million within 135 days of the closing out of which $10.1 million was received in May of 2018. The final $15.4 million (the "Holdback Payments") is paid out in payments over the course of four years as a warranty for future adverse development that may take place in the reserves at Stonetrust allocated to claims existing prior to closing. Interest will accrue on any payments not made when due. Assuming no adverse development, the Holdback Payments over the four years are paid $2 million per year on the first three anniversary dates of closing, and then $2 million plus the additional amount due to DHC on the fourth anniversary date. The General Partner valued the Holdback Payments at December 31, 2017 using discounted cash flows. Further discounts are added by the General Partner's assessment of the unfavorable return events. As a result of this valuation analysis, the fair value of the Partnership's investment in DHC was reduced.

As of December 31, 2017, the Partnership owns 73.24% of the outstanding members' units of DF with an estimated market value of approximately $250,000. DF is a limited liability company organized under the laws of the state of Delaware and is the General Partner of other funds managed by Mohnish Pabrai. DF was valued by the General Partner at the price that would be received in a current sale, using expected discounted cash flows.

(expressed in United States dollars)

At December 31, 2017, the Partnership's investment in the Tandem as measured at NAV as practical expedient was $4,416,737.

The General Partner values the Partnership's Level 3 investments on a quarterly basis using the net asset valuation. The management of the General Partner reviews information about the underlying assets of the Level 3 investments and arrives at a consensus about their valuation.

The following table summarized the changes in assets presented at fair value using Level 3 inputs:

Level 3 Investments - December 31, 2017

	Balance at January 1, 2017	Purchases	Distributions-in-Kind	Realized Gain/Loss	Unrealized Gain/Loss	Balance at December 31, 2017
Common Stock of Dhandho Holdings Corp.	$ 97,049,878	-	(51,048,347)	(6,658,471)	5,403,757	$ 44,746,817
Dhandho Funds, LLC	240,130	-	-	-	10,151	250,281
Total	$ 97,290,008	$ -	$ (51,048,347)	$ (6,658,471)	$ 5,413,908	$ 44,997,098

The following table presents the qualitative unobservable inputs used to value Level 3 investments at December 31, 2017:

Level 3 Investments - December 31, 2017

	Fair Value	Valuation Technique	Unobservable Input	Range of inputs
Common Stock of Dhandho Holdings Corp.	$ 44,746,817	Recent transactions Discounted cash flow	Discount rate Probability discount	10% 50%
Dhandho Funds, LLC	250,281	Discounted cash flow	Discount Rate Annual growth rate Annual performance rate	13.5% 10% - 15% 6% - 12%
Total	$ 44,997,098			

4. Warrants

Investments in warrant contracts are subject to additional risks that can result in a loss of all or part of an investment. The Fund may purchase warrants in the normal course of pursuing its investment objectives or may receive warrants from its portfolio companies upon an investment in the debt or equity of a portfolio company. The warrants provide the Partnership with exposure and potential gains upon equity appreciation of the portfolio company's share price.

The value of a warrant has two components: time value and intrinsic value. A warrant has a limited life and expires on a certain date. As time to the expiration date of a warrant approaches, the time value of a warrant will decline. In addition, if the stock underlying the warrant declines in price, the intrinsic value of an "in the money" warrant will decline. Further, if the price of the stock underlying the warrant does not exceed the strike price of the warrant on the expiration date, the warrant will expire worthless. As a result, there is the potential for the Partnership to lose its entire investment in a warrant.

Impact of Warrants on the Statement of Statement of Operations

The following table also identifies the net gain and loss amounts included in the statement of operations as realized loss on investments, categorized by primary underlying risk, for the year ended December 31, 2017:

Primary underlying risk	Realized Loss
Equity price	
Warrants	$ (267,537)
Total	$ (267,537)

The Partnership sold 117,800 warrants for the year ended December 31, 2017 and held none at December 31, 2017.

5. PARTNERS' CAPITAL

Subscriptions and Units - All Limited Partners of the Partnership must be “accredited investors” as defined in the Investment Company Act of 1940. In exchange for each Partner’s subscription to the Partnership, the Partnership issues Units, which represent an undivided proportionate interest in the assets and liabilities of the Partnership. Units were initially issued at $10 on March 1, 2014 and are subsequently offered at Net Asset Value Per Unit. As of any valuation date, the Net Asset Value Per Unit is determined by dividing the Partners’ Capital of the Partnership by the total number of Units outstanding.

Withdrawals - The Partnership does not permit redemptions by Limited Partners; however, Limited Partners may transfer their interests to other investors with the approval of the General Partner.

Transfers - Interests are not transferable without the consent of the General Partner.

Distributions Payable - The Partnership is currently closed to new investment. The Partnership does not permit redemptions by Limited Partners; however, Limited Partners may transfer their interests to other investors with the approval of the General Partner.

The General Partner may cause the Partnership to make distributions to the Limited Partners before the dissolution of the Partnership at such times and in such amounts as it determines in its sole discretion. The General Partner resolved on December 29, 2017 to distribute $5.00/unit to all shareholders of record of the Partnership as of December 31, 2017. The amounts shown as distributions payable of $55,731,942 represent the distribution payable as of December 31, 2017.

Allocations of Profits and Losses - Allocations of net increase/decrease in Partners' Capital to partners are made in accordance with the Limited Partnership Agreement (the "Agreement"), which calls for such allocations to be generally proportional to contributed capital. Net Profits, which includes net changes in unrealized appreciation or depreciation of investments and realized investment gains or losses and income and expense, are generally allocated at least annually and each time new Units are issued/redeemed, in proportion to the Units held at the beginning of such fiscal period. The allocation will be first, 100% to the Limited Partners until the allocation equals the aggregate of their respective capital contributions to the partnership. After this first condition is met, net increases in Partners' capital will be allocated 90% to the Limited Partners, pro rata in accordance with their respective capital contributions, and 10% to the General Partner, which is referred as the General Partner's "Carried Interest". The General Partner may determine when to distribute or to retain realized gains on investments.

(expressed in United States dollars)

Units Summary

Balance January 1, 2017	11,146,447.21
Subscription of Units	-
Redemption of Units	(838.58)
Transfer in of Units	1,529,213.59
Transfer out of Units	(1,529,213.59)
Balance, December 31, 2017	11,145,608.63

6. RELATED PARTY TRANSACTIONS

The Partnership is a member of a group of affiliated companies and has transactions and relationships with members of the group. As of December 31, 2017, the Partnership due from (to) related parties was as follows:

	Due From	Due To	Net
Dhandho Holdings Qualified Purchaser L.P.	$ 17,825	-	$ 17,825
Dhandho Holdings Corp.	-	(2,859)	(2,859)
Total due from related parties	$ 17,825	$ (2,859)	$ 14,966

In January 2017, DHC distributed cash of $9.7 million and other equity investments with a fair market value of $33.6 million held on its books to the Partnership. In March 2017, DHC distributed its investment in Tandem with a book value of $2.2 million to the Partnership. In April 2017, CoverageHQ Insurance I.I. Corporation, an indirect subsidiary of DHC that was subsequently dissolved in December 2017, distributed cash of $1.1 million and other equity investments with a fair market value of $4.3 million held on its books to the Partnership.

The General Partner charges a management fee in consideration for the services it provides to the Partnership and all normal overhead expenses of the General Partner. In general, the annual management fee is an amount set by the General Partner, not to exceed 1% of the aggregate amount of capital contributions of all Limited Partners. In 2017, management fees were charged by the General Partner indirectly to DHC for the first quarter and then directly to the Partnership starting second quarter. For the year ended December 31, 2017, $136,231 of management fees was charged to the Partnership. As of December 31, 2017, a total of $17,825 was due from affiliates.

As of December 31, 2017, the affiliates of the General Partner (including Dhandho Holdings Offshore Ltd.) held 42.18% of the Partnership's interest.

On December 31, 2017, affiliates of the General Partner purchased interest from various Limited Partners in the amount of $4,810,972 for $5 per unit.

7. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Partnership enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Partnership's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Partnership that have not yet occurred. However, based on experience, the Partnership expects the risk of loss to be remote.

The Partnership’s total commitments in Tandem is $7,324,000 out of which $2,563,400 is unfunded as of December 31, 2017.

8. RISK

The Partnership's investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. The significant types of financial risks to which the Partnership is exposed include, but are not limited to market risk, price risk/nature of investment, interest rate risk, liquidity risk, currency risk, emerging market risk, credit risk and other additional risks. Certain aspects of those risks are addressed below.

Market Risk

Market risk encompasses the potential for both losses and gains and includes price risk, and interest rate risk.

Price Risk/Nature of Investment

The Partnership's investments are long-term and highly illiquid and there is no assurance that the Partnership will achieve its investment objectives including targeted returns. Due to the illiquidity of the investments, valuation of the assets may be difficult, as there generally will be no established markets for these assets. As the Partnership's financial instruments are carried at fair value with fair value changes recognized in the Statement of Operations, all changes in market conditions will directly affect the net asset value of the Partnership.

The Partnership expects to invest in companies that have a potential to generate a stable cash flow. Insurance companies, in particular, carry certain risks specific to that industry which includes underwriting exposure and regulatory risks.

Interest Rate Risk

The Partnership and the Partnership's portfolio companies may invest in fixed income securities and/or debt. Any change to the interest rates relevant to particular securities may result in the inability to secure similar returns on the expiration of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the value of the fixed interest securities will decline. A decline in interest rates will in general have the opposite effect.

Liquidity Risk

The portfolio companies in which the Partnership expects to make investments will initially be privately held. As a result, there will be no readily available secondary market for the Partnership's interests in such portfolio companies, and those interests will be subject to legal restrictions on transfer. Therefore, there is no assurance that the Partnership will be able to realize liquidity for such investments in a timely manner, if at all. The Partnership faces liquidity risk from Dhandho Holdings Corp., Dhandho Funds, LLC and Tandem III, LP.

Currency Risk

The Partnership invests in assets and liabilities denominated in foreign currencies which are translated into U.S. dollar amounts at the year-end exchange rates. The value of these assets and liabilities are exposed to fluctuations in the foreign currencies as compared to the US dollar.

Emerging Markets Risk

Investments in securities and instruments traded in developing or emerging markets, or that provide exposure to these securities or markets, can involve additional risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments or investments in more developed international markets. For example, emerging markets may be subject to, among other risks, greater market volatility; lower trading volume and liquidity; greater social, political and economic uncertainty; governmental controls on foreign investments and limitations on repatriation of invested capital; lower disclosure, corporate governance, auditing and financial reporting standards; fewer protections of property rights; restrictions on the transfer of securities or currency; and settlement and trading practices that differ from U.S. markets and markets of more developed countries. Each of these factors may impact the ability of the Partnership to buy, sell or otherwise transfer securities, adversely affect the Partnership and cause the Partnership to decline in value.

Credit Risk

The Partnership and its portfolio companies may include the acquisition of debt securities. Investment portfolios with debt securities are subject to credit risk. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risks may change over the life of an instrument. Securitas that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline the market value of such security.

(expressed in United States dollars)

10. FINANCIAL HIGHLIGHTS

The following financial ratios for the year ended December 31, 2017 have been computed based on the limited partners' capital of the Partnership:

Selected per unit data		
Net asset value, beginning of year	$	8.73
Income from investment operations[1]		
Net investment income		0.02
Net realized gain and net change in unrealized appreciation / (depreciation)		1.18
Investment management fee		(0.01)
Distribution made during the year		(5.00)
Net asset value, end of year	$	4.92
Total return		
Total return before performance allocation		13.66 %
Performance allocation		0.00
Total return after performance allocation		13.66 %
Ratios to average limited partners' capital		
Operating Expenses		(0.24) %
Performance allocation		0.00
Total operating expenses and performance allocation		(0.24) %
Net investment income		0.07 %

(1) Calculated using the average number of shares outstanding during the year.

11. SUBSEQUENT EVENTS

The Partnership evaluated subsequent events through the date the financial statements were available to be issued June 27, 2018, and determined no events occurred that required further disclosures.

On January 1, 2018, affiliates of the General Partner purchased interest from various Limited Partners in the amount of $4,319,910 for approximately $5 per unit.

Dhandho Holdings Qualified Purchaser, L.P.

REPORT OF INDEPENDENT AUDITORS
AND
AUDITED FINANCIAL STATEMENTS

December 31, 2017

Dhandho Holdings Qualified Purchaser, L.P.
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Report of Independent Auditors

To the General Partner of Dhandho Holdings Qualified Purchaser, L.P.

We have audited the accompanying financial statements of Dhandho Holdings Qualified Purchaser, L.P. (the "Partnership"), which comprise the statement of assets, liabilities and partners' capital, including the condensed schedule of investments, as of December 31, 2017, and the related statements of operations, of changes in partners' capital, and of cash flows for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Partnership's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dhandho Holdings Qualified Purchaser, L.P. as of December 31, 2017, and the results of its operations, changes in its partners' capital, and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers

June 27, 2018

PricewaterhouseCoopers, 18 Forum Lane, Camana Bay, P.O. Box 258, Grand Cayman KY1-1104, Cayman Islands
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Dhandho Holdings Qualified Purchaser, L.P.
Statement of Assets, Liabilities and Partners' Capital
December 31, 2017
(expressed in United States dollars)

		2017
ASSETS		
Cash	$	44,404
Due from broker		10,095
Investments, at fair value (cost $37,984,423)		40,367,104
Interest and dividends receivable		11,514
Total assets	$	40,433,117
LIABILITIES AND PARTNERS' CAPITAL		
Due to affiliates	$	17,825
Accrued operating and trading expenses		15,952
Distributions payable		20,360,962
Total liabilities		20,394,739
Partners' capital		
General partner		-
Limited partners		20,038,378
Total partners' capital		20,038,378
Total liabilities and partners' capital	$	40,433,117

The accompanying notes are an integral part of these financial statements.

Dhandho Holdings Qualified Purchaser, L.P.
Statement of Operations
Year ended December 31, 2017
(expressed in United States dollars)

		2017
Investment Income:		
Dividends (net of withholding tax of $4,664)	$	73,222
Interest income		43,158
Total Investment Income		116,380
Expense:		
Professional fees		26,807
Management fees		49,769
Administration fees		16,055
Total operating expenses		92,631
Net Investment Income		23,749
Net realized and unrealized gain/(loss) on investments		
Net realized (loss) from securities		(204,750)
Net realized (loss) on foreign currency transactions		(12,550)
Net change in unrealized appreciation on securities		5,427,600
Net realized (loss) on investment in other funds		(2,415,598)
Net change in unrealized appreciation on investment in other funds		2,054,425
Net realized and unrealized gain (loss) on investments		4,849,127
Net increase in partners' capital resulting from operations	$	4,872,876

The accompanying notes are an integral part of these financial statements.

Dhandho Holdings Qualified Purchaser, L.P.
Statement of Changes in Partners' Capital
Year Ended December 31, 2017
(expressed in United States dollars)

	General Partner	Limited Partners	Total
Balance January 1, 2017	$ -	$ 35,526,464	$ 35,526,464
Capital contributions		3,004,021	3,004,021
Capital withdrawals		(3,004,021)	(3,004,021)
Capital distributions	-	(20,360,962)	(20,360,962)
Increase in partners' capital resulting from operations	-	4,872,876	4,872,876
Balance, December 31, 2017	$ -	$ 20,038,378	$ 20,038,378

The accompanying notes are an integral part of these financial statements.

Dhandho Holdings Qualified Purchaser, L.P.
Statement of Cash Flows
Year Ended December 31, 2017
(expressed in United States dollars)

		2017
Cash Flows from Operating Activities		
Net increase in partners' equity resulting from operations	$	4,872,876
Adjustments to reconcile net increase in partners' equity resulting from operations to net cash provided by operating activities:		
Net realized loss from securities		204,750
Net change in unrealized appreciation on securities		(5,427,600)
Net realized loss on investment in other funds		2,415,598
Net change in unrealized appreciation on investment in other funds		(2,054,425)
Purchase of equity investments		(27,499,898)
Sale of equity investments		24,262,775
Purchase of investment in other private investments		(669,000)
Distribution from other private investments		3,944,185
Change in other assets and liabilities:		
Due from Broker		(10,095)
Dividends and interest receivable		(11,514)
Accrued operating and trading expenses		15,952
Net cash provided by operating activities		43,604
Net increase in cash		43,604
Cash:		
Beginning of year		800
End of year	$	44,404
Supplemental information:		
Non-cash operating activities not included herein consist of an in-specie distribution in securities from DHC to the Partnership.		14,705,394
Non-cash financial activities not included herein consist of partner contributions and withdrawals as a result of transfers between limited partners. Refer to notes 5 and 6 for further information.		3,004,021

The accompanying notes are an integral part of these financial statements.

Dhandho Holdings Qualified Purchaser, L.P.
Condensed Schedule of Investments
Year Ended December 31, 2017
(expressed in United States dollars)

Number of Shares/Bonds		Value as a Percentage of Partners' Capital	Cost	Fair Value
	Common Stocks			
	United States			
	Financial Services	0.03%	$ 4,304	$ 5,352
	Total United States	0.03%	4,304	5,352
	India			
	Building Materials	0.35%	25,153	71,009
	Basic Materials	0.88%	85,803	175,471
	Consumer Goods			
59,158	Bombay Burmah Trading Corporation Limited	7.86%	1,337,917	1,575,531
	Other	1.98%	277,441	396,810
	Pharmaceuticals			
34,375	Piramal Enterprises Limited	7.69%	1,338,230	1,541,778
	Real Estate Property Development	2.30%	182,820	461,506
	Total India	21.07%	3,247,364	4,222,105
	Ireland			
	Air Services			
43,236	Aercap Holdings NV	11.35%	1,825,053	2,274,646
	Total Ireland	11.35%	1,825,053	2,274,646
	Netherlands			
	Financials			
38,651	Exor N V	11.84%	1,777,247	2,371,625
	Total Netherlands	11.84%	1,777,247	2,371,625
	United Kingdom			
	Automotive			
430,904	Fiat Chrysler Automobiles N.V.	38.36%	4,215,118	7,687,327
	Total United Kingdom	38.36%	4,215,118	7,687,327
	Total Common Stocks	82.65%	11,069,086	16,561,055
	Money Market Funds			
	United States			
2,666,212	UBS Select Treasury Institutional Fund Ltd.	13.31%	2,666,212	2,666,212
	Total Money Market Funds	13.31%	2,666,212	2,666,212
	Preferred Stocks			
	Canada			
	Real Estate			
46,017	Brookfield DTLA FD Office TR I Cum Ser A Preferred Clbl Par Value-25.00 USD 7.25%	6.61%	1,337,921	1,325,290
	Total Preferred Stocks	6.61%	1,337,921	1,325,290
	Corporate Bonds			
	Canada			
	Industrials			
2,208,000	Aimia Inc. Notes 5.6%, 5/17/19	8.78%	1,811,757	1,760,019
	Total Corporate Bonds	8.78%	1,811,757	1,760,019

The accompanying notes are an integral part of these financial statements.

Dhandho Holdings Qualified Purchaser, L.P.
Condensed Schedule of Investments
December 31, 2017
(expressed in United States dollars)

Company Name	Investment	Value as a Percentage of Partners' Capital	Cost	Fair Value
Private operating companies				
Dhandho Holdings Corp.				
Corporation organized to make equity investments in privately				
and publicly held businesses. The Partnership owns 26.76%	Common Stock			
of Dhandho Holdings Corp.	(268 units)	81.59%	$ 19,577,356	$ 16,349,329
Dhandho Funds, LLC				
Limited Liability Corporation engaged in investment advisory.	Member Units			
The Partnership owns 26.76% of Dhandho Funds, LLC.	(27 units)	0.46%	-	91,437
Total private operating companies		82.05%	19,577,356	16,440,766
Private equity funds				
Tandem III, LP *		8.05%	1,522,091	1,613,762
Total investment, at fair value		201.45%	$ 37,984,423	$ 40,367,104

* Objective of private equity fund: Primarily invest in securities of privately held companies building innovative technology businesses.
Redemption terms: Voluntary redemptions are not permitted. The Fund will continue until March 8, 2023 unless extended by agreement of the partners or is terminated prior thereto under circumstances provided for in the LP Agreement dated January 7, 2015.

The accompanying notes are an integral part of these financial statements. .

1. ORGANIZATION

Dhandho Holdings Qualified Purchaser, L.P. (the "Partnership") is a limited partnership organized in February 2014, pursuant to the laws of the State of Delaware. The purpose of the Partnership is to make equity investments in privately and publicly held businesses." In February 2014, the Partnership had its first closing with total contributed capital of $36,212,400. In April 2014, a second closing of $4,000,000 brought contributed capital to $40,212,400.

The affairs of the Partnership are managed by its general partner, Dhandho GP, LLC (the "General Partner"), a limited liability company organized under the laws of the State of California. The General Partner is a subsidiary of Dalal Street, LLC, an investment adviser registered with the U.S. Securities and Exchange Commission. Dalal Street, LLC and the General Partner are both controlled by Mohnish Pabrai, Managing Partner. The General Partner holds Limited Partner interest of 36.63% through Dalal Street, LLC, Mr. Pabrai and his spouse, Ms. Harina Kapoor. In 2014 Dalal Street, LLC made a capital contribution of $1,991,818 and Mohnish Pabrai and his spouse made a capital contribution of $6,820,582. On December 31, 2017, Dalal Street, LLC purchased interest from various Limited Partners in the amount of $3,004,021 for $5 per unit.

On January 1, 2015 the Partnership issued 70,000 units with a value of $700,000 in payment of an amount due to a former stockholder of Stonetrust by Dhandho Holdings Corp in accordance with the acquisition agreement. In consideration for this payment, the Partnership received 4.60 common shares of DHC with a value of $700,000.

The General Partner has the overall responsibility for the management of the Partnership and provides portfolio management and administrative services. The General Partner will be paid a Management Fee described in note 6.

The Partnership owns 26.76% of the outstanding stock of Dhandho Holdings Corp ("DHC"), a corporation organized under the laws of the Commonwealth of Puerto Rico on October 31, 2014 for the purpose of investing in private and public enterprises. Shortly after its formation, the Partnership contributed $39.9 million to DHC. Effective December 31, 2014, DHC acquired 100% of the outstanding common stock of Stonetrust Commercial Insurance Company and subsidiary (together, "Stonetrust") for approximately $35 million and contributed an additional $30 million to Stonetrust. Stonetrust is domiciled in the State of Nebraska and is engaged in providing workers compensation insurance.

On September 29, 2017, DHC entered into a Stock Purchase Agreement to sell Stonetrust for $70.4 million. The sale closed on January 1, 2018. Under the terms of the Stock Purchase Agreement, DHC received a payment of $40 million at the closing of the transaction and will receive $15 million within 135 days of the closing out of which $10.1 million was received in May of 2018. The final $15.4 million (the "Holdback Payments") is paid out in payments over the course of four years as a warranty for future adverse development that may take place in the reserves at Stonetrust allocated to claims existing prior to closing. Interest will accrue on any payments not made when due. Assuming no adverse development, the Holdback Payments over the four years are paid $2 million per year on the first three anniversary dates of closing, and then $2 million plus the additional amount due to DHC on the fourth anniversary date. The Limited Partnership Agreement (the "Agreement") provides for one class of Limited Partner Interest, which corresponds to the dollar amount of the Limited Partner's investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Partnership, which conform to U.S. GAAP include the following:

Basis of Presentation – Management has evaluated the Partnership's structure, objectives and activities and has determined that the Partnership meets the characteristics of an investment company. As such, the Partnership's financial statements apply the guidance set forth in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, *Financial Services – Investment Companies*.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the General Partner to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ significantly from those estimates.

Cash and Cash Equivalents - The Partnership considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Due From Broker - The amount shown as a due from broker represents a receivable from brokers as of December 31, 2017. For the year ended December 31, 2017 due from broker is $10,095.

Due to Affiliate – The amount shown as due to affiliate represents the amount paid by Dhandho Holdings, L.P. in 2015 on behalf of the Partnership. This amount was paid back to Dhandho Holdings, L.P. in May of 2018.

Security Valuation - Investments listed on a national securities exchange are valued at their last sales price on the date of valuation on the primary exchange. In the event no such price is available for such date, then the last reported sale price within the last five-day period preceding the valuation date is utilized. If no such price is reported, then the security will be valued at the representative bid price at the close of business on the valuation date. Investments whose market quotations are not readily available are valued at fair value as determined in good faith under procedures established by the General Partner. Because of the inherent uncertainty of valuation, the estimate of fair value may differ from the values that would have been used had a ready market existed and the differences could be material. Money market funds are valued at net asset value per share, which approximates fair value. Notwithstanding the foregoing, if in the reasonable judgment of the Partnership, in its sole discretion, the listed price for any security held by the Partnership does not accurately reflect the value of such security, the Partnership may value such security at a price which is greater or less than the quoted market price for such security.

Corporate bonds are traded on a principal-to-principal basis in the over-the-counter market between counterparties such as brokers and dealers in securities and other market makers. Such financial instruments are valued at fair value using current market quotations provided by brokers and dealers and/or external pricing sources, including independent external pricing sources. Valuation using external pricing sources involves the use of both observable and unobservable valuation inputs in accordance with the fair value hierarchy, as set forth in accordance with the Partnership's valuation policy and FASB Accounting Standard Codification 820 ("ASC 820"). Corporate bonds transactions are recorded on the trade date. Realized gains or losses are determined using the identified cost method. Any change in net unrealized gain or loss from the preceding period is reported in the statement of operations

Valuation of Investments - The Partnership values its investments in DHC, Dhandho Funds, LLC ("DF") and Tandem Fund III, L.P. (“Tandem”) at fair value as determined in good faith by the General Partner in accordance with ASC 820. Because of inherent uncertainty of valuations, estimated values may differ significantly from values that would have been used had a ready market for the investment existed, and the difference could be material.

Security Transactions and Income and Expense Recognition - Investment transactions are recorded on trade date. Income and expenses are recorded on the accrual basis and dividend income and capital gain distributions are recorded on the ex-dividend date net of foreign dividend withholding taxes. Realized gains and losses are recorded on the specific identification method.

Foreign Currency Transactions - Assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the year-end exchange rates. Purchases and sales of these assets and liabilities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Partnership does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of investments held.

Income Taxes - No provision is made in the accompanying financial statements for liabilities for federal, state or local income taxes since such liabilities are not the responsibility of the Partnership. Each partner is required to report on his/her income tax return his/her proportionate share of the items of income and deduction of the Partnership.

The Partnership executes trades on the Indian exchange and, therefore, may be subject to taxes levied in that country. The investments in common stock traded on the Indian exchange are subject to short-term capital gains tax at 15% and no long-term capital gains tax. The Partnership intends to hold the Indian securities for the long-term. For countries with double taxation treaties, the treaty rate prevails only if it is more favorable than the standard rate. As of December 31, 2017, $0 was accrued for these taxes.

On February 1, 2018, the Indian government proposed new tax legislation that seeks to impose a long-term capital gains tax of 10% on exchange traded equity instruments, effective April 1, 2018.

Management has continued to evaluate the application of Accounting Standards Codification (“ASC”) 740, “Income Taxes”, and has determined that no reserves for uncertain tax positions were required to have been recorded as a result of the adoption of ASC 740. Open tax years are those that are open for exam by taxing authorities. As of December 31, 2017, open tax years include the tax years ended December 31, 2014 through December 31, 2017. The Partnership is not aware of any examinations in progress. The Partnership has reviewed all open tax years and major jurisdictions and concluded that the adoption of these financial reporting rules resulted in no effect to the Partnership's financial position or results of operations. There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on the tax return for the fiscal year ended December 31, 2017. The Partnership is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefit will significantly change in the next twelve months.

3. FAIR VALUE MEASUREMENT

The Partnership has adapted financial reporting rules that establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by the General Partner. The General Partner considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the General Partner's perceived risk of that instrument. Investments whose values are based on quoted market prices in active markets, and are therefore classified within level 1, include active listed equities, and certain money market securities. The General Partner does not adjust the quoted price for such instruments, even in situations where the Partnership holds a large position and a sale could reasonably impact the quoted price. Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, are classified within level 2. These include investment-grade corporate bonds and less liquid listed equities. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The inputs used by the General Partner in estimating the value of the level 3 investment include the original transaction price, recent transactions in the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the General Partner in the absence of market information. The fair value measurement of level 3 investments does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by the General Partner due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Partnership's results of operations.

As permitted under U.S. GAAP, the General Partner uses, as a practical expedient, the net asset valuations provided by the underlying private investment company to value its investment in other funds when the net asset valuation of the investments are calculated in a manner consistent with U.S. GAAP for investment companies. However, if it is probable that the Partnership will sell an investment at an amount different from the net asset valuation or in other situations where the practical expedient is not available, the Partnership considers other factors in addition to the net asset valuation, such as features of the investment, including subscription and redemption rights, expected discounted cash flows, transactions in the secondary market, bids received from potential buyers, and overall market conditions in its determination of fair value.

During the year ended December 31, 2017, there were no such adjustments to fair value recorded. In accordance with ASU 2015-07, the Partnership's investment in other investment companies has not been categorized in the fair value hierarchy nor in a roll forward of investment activity.

(expressed in United States dollars)

The following table presents the financial instruments carried on the Statement of Assets and Liabilities and Partners' Capital by level:

	Assets at Fair Value as of December 31, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments				
Common stock	$ 16,561,055	$ -	$ -	$ 16,561,055
Money market funds	2,666,212	-	-	2,666,212
Preferred stock	1,325,290	-	-	1,325,290
Corporate bonds	-	1,760,019	-	1,760,019
Private operating companies	-	-	16,440,766	16,440,766
Total investments	$ 20,552,557	$ 1,760,019	$ 16,440,766	$ 38,753,342

There were no transfers in and out of either Level 1, Level 2 or Level 3 as of or during the year ended December 31, 2017.

As of December 31, 2017, the Partnership owns 26.76% of the outstanding common stock of DHC with an estimated market value of approximately $16.3 million. DHC is valued using the net asset value. This consists primarily of its investment in Stonetrust and cash. Stonetrust was sold with an effective date of January 1, 2018 for $70.4 million. Under the terms of the Stock Purchase Agreement, DHC received a payment of $40 million at the closing of the transaction and will receive $15 million within 135 days of the closing out of which $10.1 million was received in May of 2018. The final $15.4 million (the "Holdback Payments") is paid out in payments over the course of four years as a warranty for future adverse development that may take place in the reserves at Stonetrust allocated to claims existing prior to closing. Interest will accrue on any payments not made when due. Assuming no adverse development, the Holdback Payments over the four years are paid $2 million per year on the first three anniversary dates of closing, and then $2 million plus the additional amount due to DHC on the fourth anniversary date. The General Partner valued the Holdback Payments at December 31, 2017 using discounted cash flows. Further discounts are added by the General Partner's assessment of the unfavorable return events. As a result of this valuation analysis, the fair value of the Partnership's investment in DHC was reduced.

As of December 31, 2017, the Partnership owns 26.76% of the outstanding members' units of DF with an estimated market value of approximately $91,000. DF is a limited liability company organized under the laws of the state of Delaware and is the General Partner of other funds managed by Mohnish Pabrai. DF was valued by the General Partner at the price that would be received in a current sale, using expected discounted cash flows.

At December 31, 2017, the Partnership's investment in the Tandem as measured at NAV as practical expedient was $1,613,762.

The General Partner values the Partnership's Level 3 investments on a quarterly basis using the net asset valuation. The management of the General Partner reviews information about the underlying assets of the Level 3 investments and arrives at a consensus about their valuation.

(expressed in United States dollars)

The following table summarized the changes in assets presented at fair value using Level
3 inputs:

Level 3 Investments - December 31, 2017

	Balance at January 1, 2017	Purchases	Distributions-in-Kind	Realized Gain/Loss	Unrealized Gain/Loss	Balance at December 31, 2017
Common Stock of Dhandho Holdings Corp.	$ 35,455,760	-	(18,649,879)	(2,415,598)	1,959,046	$ 16,349,329
Dhandho Funds, LLC	87,729	-	-	-	3,708	91,437
Total	$ 35,543,489	$ -	$ (18,649,879)	$ (2,415,598)	$ 1,962,754	$ 16,440,766

The following table presents the qualitative unobservable inputs used to value Level 3 investments at December 31, 2017:

Level 3 Investments - December 31, 2017

	Fair Value	Valuation Technique	Unobservable Input	Range of inputs
Common Stock of Dhandho Holdings Corp.	$ 16,349,329	Recent transactions Discounted cash flow	Discount rate Probability discount	10% 50%
Dhandho Funds, LLC	91,437	Discounted cash flow	Discount Rate Annual growth rate Annual performance rate	13.5% 10% - 15% 6% - 12%
Total	$ 16,440,766			

4. Warrants

Investments in warrant contracts are subject to additional risks that can result in a loss of all or part of an investment. The Fund may purchase warrants in the normal course of pursuing its investment objectives or may receive warrants from its portfolio companies upon an investment in the debt or equity of a portfolio company. The warrants provide the Partnership with exposure and potential gains upon equity appreciation of the portfolio company's share price.

The value of a warrant has two components: time value and intrinsic value. A warrant has a limited life and expires on a certain date. As time to the expiration date of a warrant approaches, the time value of a warrant will decline. In addition, if the stock underlying the warrant declines in price, the intrinsic value of an "in the money" warrant will decline. Further, if the price of the stock underlying the warrant does not exceed the strike price of the warrant on the expiration date, the warrant will expire worthless. As a result, there is the potential for the Partnership to lose its entire investment in a warrant.

Impact of Warrants on the Statement of Statement of Operations

The following table also identifies the net gain and loss amounts included in the statement of operations as realized loss on investments, categorized by primary underlying risk, for the year ended December 31, 2017:

Primary underlying risk	**Realized Loss**
Equity price	
Warrants	$ (102,120)
Total	$ (102,120)

The Partnership sold 44,686 warrants for the year ended December 31, 2017 and held none at December 31, 2017.

5. PARTNER'S CAPITAL

Subscriptions and Units - All Limited Partners of the Partnership must be “qualified purchasers” as defined in the Investment Company Act of 1940. In exchange for each Partner’s subscription to the Partnership, the Partnership issues Units, which represent an undivided proportionate interest in the assets and liabilities of the Partnership. Units were initially issued at $10 on March 1, 2014 and are subsequently offered at Net Asset Value Per Unit. As of any valuation date, the Net Asset Value Per Unit is determined by dividing the Partners’ Capital of the Partnership by the total number of Units outstanding.

Withdrawals - The Partnership does not permit redemptions by Limited Partners; however, Limited Partners may transfer their interests to other investors with the approval of the General Partner.

Transfers - Interests are not transferable without the consent of the General Partner.

Distributions Payable - The Partnership is currently closed to new investment. The Partnership does not permit redemptions by Limited Partners; however, Limited Partners may transfer their interests to other investors with the approval of the General Partner.

The General Partner may cause the Partnership to make distributions to the Limited Partners before the dissolution of the Partnership at such times and in such amounts as it determines in its sole discretion. The General Partner resolved on December 29, 2017 to distribute $5.00/unit to all shareholders of record of the Partnership as of December 31, 2017. The amounts shown as distributions payable of $20,360,962 represent the distribution payable as of December 31, 2017.

Allocations of Profits and Losses - Allocations of net increase/decrease in Partners' Capital to partners are made in accordance with the Limited Partnership Agreement (the "Agreement"), which calls for such allocations to be generally proportional to contributed capital. Net Profits, which includes net changes in unrealized appreciation or depreciation of investments and realized investment gains or losses and income and expense, are generally allocated at least annually and each time new Units are issued/redeemed, in proportion to the Units held at the beginning of such fiscal period. The allocation will be first, 100% to the Limited Partners until the allocation equals the aggregate of their respective capital contributions to the partnership. After this first condition is met, net increases in Partners' capital will be allocated 90% to the Limited Partners, pro rata in accordance with their respective capital contributions, and 10% to the General Partner, which is referred as the General Partner's "Carried Interest". The General Partner may determine when to distribute or to retain realized gains on investments.

(expressed in United States dollars)

Units Summary

Balance January 1, 2017	4,072,192.37
Subscription of Units	-
Redemption of Units	-
Transfer in of Units	610,476.19
Transfer out of Units	(610,476.19)
Balance, December 31, 2017	4,072,192.37

6. RELATED PARTY TRANSACTIONS

The Partnership is a member of a group of affiliated companies and has transactions and relationships with members of the group.

In January 2017, DHC distributed cash of $3.5 million and other equity investments with a fair market value of $12.3 million held on its books to the Partnership. In March 2017, DHC distributed its investment in Tandem with a book value of $0.9 million to the Partnership. In April 2017, CoverageHQ Insurance I.I. Corporation, an indirect subsidiary of DHC that was subsequently dissolved in December 2017, distributed cash of $0.4 million and other equity investments with a fair market value of $1.6 million held on its books to the Partnership.

The General Partner charges a management fee in consideration for the services it provides to the Partnership and all normal overhead expenses of the General Partner. In general, the annual management fee is an amount set by the General Partner, not to exceed 1% of the aggregate amount of capital contributions of all Limited Partners. In 2017, management fees were charged by the General Partner indirectly to DHC for the first quarter and then directly to the Partnership starting second quarter. For the year ended December 31, 2017, $49,769 of management fees was charged to the Partnership. As of December 31, 2017, a total of $17,825 was due to affiliates.

As of December 31, 2017, the affiliates of the General Partner held 36.63% of the Partnership's interest.

On December 31, 2017, affiliates of the General Partner purchased interest from various Limited Partners in the amount of $3,004,021 for $5 per unit.

7. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Partnership enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Partnership's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Partnership that have not yet occurred. However, based on experience, the Partnership expects the risk of loss to be remote.

The Partnership's total commitments in Tandem is $2,676,000 out of which $936,600 is unfunded as of December 31, 2017.

8. RISK

The Partnership's investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. The significant types of financial risks to which the Partnership is exposed include, but are not limited to market risk, price risk/nature of investment, interest rate risk, liquidity risk, currency risk, emerging market risk, credit risk and other additional risks. Certain aspects of those risks are addressed below.

Market Risk

Market risk encompasses the potential for both losses and gains and includes price risk, and interest rate risk.

Price Risk/Nature of Investment

The Partnership's investments are long-term and highly illiquid and there is no assurance that the Partnership will achieve its investment objectives including targeted returns. Due to the illiquidity of the investments, valuation of the assets may be difficult, as there generally will be no established markets for these assets. As the Partnership's financial instruments are carried at fair value with fair value changes recognized in the Statement of Operations, all changes in market conditions will directly affect the net asset value of the Partnership.

The Partnership expects to invest in companies that have a potential to generate a stable cash flow. Insurance companies, in particular, which carry certain risks specific to that industry which includes underwriting exposure and regulatory risks.

Interest Rate Risk

The Partnership and the Partnership's portfolio companies may invest in fixed income securities and/or debt. Any change to the interest rates relevant to particular securities may result in the inability to secure similar returns on the expiration of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the value of the fixed interest securities will decline. A decline in interest rates will, in general, have the opposite effect.

Liquidity Risk

The portfolio companies in which the Partnership expects to make investments will initially be privately held. As a result, there will be no readily available secondary market for the Partnership's interests in such portfolio companies, and those interests will be subject to legal restrictions on transfer. Therefore, there is no assurance that the Partnership will be able to realize liquidity for such investments in a timely manner, if at all. The Partnership faces liquidity risk from Dhandho Holdings Corp., Dhandho Funds, LLC and Tandem III, LP.

Currency Risk

The Partnership invests in assets and liabilities denominated in foreign currencies which are translated into U.S. dollar amounts at the year-end exchange rates. The value of these assets and liabilities are exposed to fluctuations in the foreign currencies as compared to the US dollar.

Emerging Markets Risk

Investments in securities and instruments traded in developing or emerging markets, or that provide exposure to these securities or markets, can involve additional risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments or investments in more developed international markets. For example, emerging markets may be subject to, among other risks, greater market volatility; lower trading volume and liquidity; greater social, political and economic uncertainty; governmental controls on foreign investments and limitations on repatriation of invested capital; lower disclosure, corporate governance, auditing and financial reporting standards; fewer protections of property rights; restrictions on the transfer of securities or currency; and settlement and trading practices that differ from U.S. markets and markets of more developed countries. Each of these factors may impact the ability of the Partnership to buy, sell or otherwise transfer securities, adversely affect the Partnership and cause the Partnership to decline in value.

Credit Risk

The Partnership and its portfolio companies may include the acquisition of debt securities. Investment portfolios with debt securities are subject to credit risk. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risks may change over the life of an instrument. Securities that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline the market value of such security.

(expressed in United States dollars)

9. FINANCIAL HIGHLIGHTS

Financial highlights are calculated for a Limited Partner unit outstanding for the entire period. An individual Limited Partner's return and ratios may vary based on timing of capital transactions. The ratios are computed based on the average Limited Partners' capital, calculated for all Limited Partners as a group.

Selected per unit data			
Net asset value, beginning of year	$	8.72	
Income from investment operations[1]			
Net investment income		0.02	
Net realized gain and net change in unrealized appreciation / (depreciation)		1.19	
Investment management fee		(0.01)	
Distribution made during the year		(5.00)	
Net asset value, end of year	$	4.92	
Total return			
Total return before performance allocation		13.72	%
Performance allocation		0.00	
Total return after performance allocation		13.72	%
Ratios to average limited partners' capital			
Operating Expenses		0.25	%
Performance allocation		0.00	
Total operating expenses and performance allocation		0.25	%
Net investment income		0.06	%

(1) Calculated using the average number of shares outstanding during the year.

10. SUBSEQUENT EVENTS

The Partnership evaluated subsequent events through June 27, 2018, the date the financial statements were available to be issued and determined no events occurred that required further disclosures.

Dhandho India Zero Fee Fund Offshore Ltd.

Financial Statements

Period from October 1, 2017 (commencement of operations) through December 31, 2017

Dhandho India Zero Fee Fund Offshore Ltd.
Index
December 31, 2017

Report of Independent Auditors

To the Board of Directors of Dhandho India Zero Fee Fund Offshore Ltd.

We have audited the accompanying financial statements of Dhandho India Zero Fee Fund Offshore Ltd. (the "Fund"), which comprise the statement of assets and liabilities, including the condensed schedule of investments, as of December 31, 2017, and the related statements of operations and of changes in net assets for the period from October 1, 2017 (commencement of operations) through December 31, 2017.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dhandho India Zero Fee Fund Offshore Ltd. as of December 31, 2017, and the results of its operations and changes in its net assets for the period from October 1, 2017 (commencement of operations) through December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers

March 29, 2018

PricewaterhouseCoopers, 18 Forum Lane, Camana Bay, P.O. Box 258, Grand Cayman KY1-1104, Cayman Islands
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Dhandho India Zero Fee Fund Offshore Ltd.
Statement of Assets and Liabilities
December 31, 2017
(expressed in United States dollars)

Assets		
Cash	$	11,638,883
Investments, at fair value (cost $10,556,094)		10,604,091
Interest receivable		984
Other assets		51,100
Total assets		22,295,058
Liabilities		
Payable for investments purchased		483,618
Other liabilities		45,945
Subscriptions received in advance		13,899,975
Accrued expenses and other liabilities		22,385
Total liabilities		14,451,923
Net assets	$	7,843,135
Net assets consist of:		
Management shares (100 authorized; 100 issued and outstanding)	$	1
Shares (780,489 issued and outstanding)		7,843,134
Total net assets	$	7,843,135
Net asset value per share	$	10.05

The accompanying notes are an integral part of these financial statements.

Dhandho India Zero Fee Fund Offshore Ltd.
Statement of Operations
For the period from October 1, 2017 (commencement of operations) through December 31, 2017
(expressed in United States dollars)

Investment income	
Dividend income (net of withholding tax of $5,978)	$ 13,948
Interest income	10,735
Total investment income	24,683
Expenses	
Professional fees	15,000
Administration fee	8,000
Other expense	2,512
Total expenses	25,512
Net investment loss	(829)
Net realized and unrealized gain on investments	
Net realized (loss) on investments	(360)
Net realized (loss) on foreign currency transactions	(8,558)
Net change in unrealized appreciation on investments	47,997
Net realized and unrealized gain on investments	39,079
Net increase in net assets resulting from operations	$ 38,250

The accompanying notes are an integral part of these financial statements.

Dhandho India Zero Fee Fund Offshore Ltd.
Statement of Changes in Net Assets
For the period from October 1, 2017 (commencement of operations) through December 31, 2017
(expressed in United States dollars)

Increase in net assets from operations		
Net investment loss	$	(829)
Net realized (loss) on investments		(360)
Net realized (loss) on foreign currency transactions		(8,558)
Net change in unrealized appreciation on investments		47,997
Net increase in net assets resulting from operations		38,250
Capital transactions		
Subscriptions of common shares (780,489 shares)		7,804,885
Net change in net assets resulting from capital transactions		7,804,885
Net increase in net assets for the year		7,843,135
Net assets at:		
End of year	$	7,843,135

The accompanying notes are an integral part of these financial statements.

Dhandho India Zero Fee Fund Offshore Ltd.
Condensed Schedule of Investments
December 31, 2017

Number of Shares		Value as Percentage of Net Assets	Cost	Fair Value
	Common Stocks			
	India			
	Consumer Goods			
30,241	Bombay Burmah Trading Corporation Limited	10.28%	764,052	806,087
133,677	KRBL Limited	16.02%	1,269,688	1,256,247
	Pharmaceuticals			
20,968	Piramal Enterprises Limited	12.00%	883,132	941,258
	Real Estate Property Development			
177,030	Kolte-Patil Developers Limited	12.93%	1,013,944	1,014,273
141,316	Sunteck Realty Limited	11.79%	888,394	924,923
	Total India	63.02%	4,819,210	4,942,788
	The Netherlands			
	Financials			
32,044	EXOR N V	25.07%	1,999,941	1,966,220
	Total The Netherlands	25.07%	1,999,941	1,966,220
	United Kingdom			
	Automotive			
115,894	Fiat Chrysler Automobiles N.V.	26.36%	2,096,132	2,067,549
	Total United Kingdom	26.36%	2,096,132	2,067,549
	Total Common Stocks	114.45%	$ 8,915,283	$ 8,976,557
	Preferred Stocks			
	United States			
	Industrial			
22,165	Annaly Capital Management Inc.	7.30%	583,568	572,300
	Other	0.18%	14,348	14,449
	Total United States	7.48%	597,916	586,749
	Korea			
	Industrial Manufacturing	3.03%	239,693	237,583
	Total Korea	3.03%	239,693	237,583
	Total Preferred Stocks	10.51%	$ 837,609	$ 824,332
	Money Market Funds			
	United States			
	UBS Select Treasury			
803,202	Institutional Fund Ltd	10.24%	803,202	803,202
	Total Money Market Funds	10.24%	$ 803,202	803,202
	Total Investments	135.20%	$ 10,556,094	$ 10,604,091

The accompanying notes are an integral part of these financial statements.

1. Organization

Dhandho India Zero Fee Fund Offshore Ltd. (the “Fund”), a British Virgin Islands Corporation, was organized on June 1, 2017 and commenced operations on October 1, 2017. The Fund will continue indefinitely until wound up in accordance with the provisions of the Fund’s Articles of Association.

The Fund has been recognized as a professional fund under the Securities and Investment Business Act,

(British Virgin Islands) (the “Funds Act”). The shares of a “professional fund” as defined in the Funds Act may be made available (including issued or transferred) to persons who are “professional investors” within the meaning of the Funds Act and on the basis that investment in the Fund by each investor is not less than $100,000.

Dhandho Funds, LLC serves as the Fund’s Investment Manager (the "Investment Manager") and is responsible for the management of the Fund’s assets. The Fund will seek to earn long-term appreciation by investing at least 2/3 of its assets (at cost and exclusive of future redemptions) in marketable securities of companies that are publicly listed in India and/or have significant operations in India (“Indian Companies”) or cash and cash equivalents, and up to 1/3 of its assets (at cost and exclusive of future redemptions) in marketable securities of Indian Companies and non-Indian Companies.

The Fund utilizes UBS Securities LLC (“UBS”) as its principal broker-dealers and maintains its cash and investments with UBS. Additionally, the Fund utilizes UBS Financial Services Inc. All subscriptions and proceeds from investors are received into UBS account, and all redemptions and disbursements are made from the UBS account.

The Fund has also entered into an agreement with Liccar to perform all general administrative tasks of the Fund, including keeping the financial records, preparation of reports to shareholders and approval of all disbursements.

2. Significant Accounting Policies

Method of Reporting

The Fund’s financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). The Investment Manager has evaluated the structure, objectives and activities of the Fund and determined that the Fund meets the characteristics of an investment company.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from the estimates included in the financial statements.

Contingencies and Commitments
In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Investment Manager expects the risk of material loss to be remote.

Security Valuation
Securities that are listed on an exchange and are freely transferable shall be valued at their last sales price on such exchange on the date of determination, or, if no sales occurred on such day, at the "bid" price on such exchange at the close of business on such day and if sold short at the "asked" price at the close of business on such day. Investments whose market quotations are not readily available are valued at fair value as determined in good faith under procedures established by the Investment Manager. Because of the inherent uncertainty of valuation, the estimate of fair value may differ from the values that would have been used had a ready market existed and the differences could be material. Money market funds are valued at net assets value per share, which approximates fair value. Notwithstanding the foregoing, if in the reasonable judgment of the Fund, in its sole discretion, the listed price for any security held by the Fund does not accurately reflect the value of such security, the Fund may value such security at a price which is greater or less than the quoted market price for such security.

Security Transactions and Income and Expense Recognition
Investment transactions are recorded on the trade date. Income and expenses are recorded on the accrual basis and dividend income and capital gain distributions are recorded on the ex-dividend date net of foreign dividend withholding taxes. Realized gains and losses are recorded on the specific identification method.

Foreign Currency Transactions
Assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the year-end exchange rates. Purchases and sales of these assets and liabilities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of investments held.

Income Taxes
The Fund has conducted and intends to conduct its operations so that it will not be engaged in a United States trade or business and, therefore, will not be subject to United States federal income tax on its net income from United States sources, except for United States withholding tax at a 30% rate on United States source dividend income received. Generally, there is no withholding on portfolio interest income and capital gains derived from United States securities.

The Fund executes trades on the Indian and Korean exchanges and, therefore, may be subject to taxes levied in each country. The investments in common stock traded on the Indian exchange are subject to short-term capital gains tax at 15% and no long-term capital gains tax. The Fund intends to hold the Indian securities for the long-term. The investments in common stock traded on the Korean exchange are subject to 22% tax on interest and dividend income. Capital gains tax is exempted if holdings are less than 25% of outstanding shares on the Korean exchange and the securities transaction is executed through Korean exchange, not the over-the-counter market. If holdings are more than 25% of outstanding shares on the Korean exchange or if the trade is executed through the over-the-counter market, a 22% standard rate or 11% of sales proceeds (including resident tax), whichever is lower, will be levied. For countries with double taxation treaties, the treaty rate prevails only if it is more favorable than the standard rate. As of December 31, 2017, $0 was accrued for these taxes. On February 1, 2018, the Indian government proposed new tax legislation that seeks to impose a long-term capital gains tax of 10% on exchange traded equity instruments, effective April 1, 2018.

Under the current British Virgin Islands legislation, the Fund is not required to pay taxes in the British Virgin Islands on income or capital gains. Because the Fund is not subject to taxation in the British Virgin Islands and it is management's opinion that its method of operations does not result in its being subject to income taxes, no provision for taxes has been made in these financial statements.

Management has continued to evaluate the application of Accounting Standards Codification ("ASC") 740, "Income Taxes", and has determined that no reserves for uncertain tax positions were required to have been recorded as a result of the adoption of ASC 740. Open tax years are those that are open for exam by taxing authorities. As of December 31, 2017, open tax years include the tax year from October 1, 2017 (commencement of operations) through December 31, 2017. The Fund is not aware of any examinations in progress. The Fund has reviewed all open tax years and major jurisdictions and concluded that the adoption of these financial reporting rules resulted in no effect to the Fund's financial position or results of operations. There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on the tax return for the fiscal year ended December 31, 2017.

Payable for investments purchased
The amount shown as a payable for investments purchased represents a net payable to brokers for unsettled purchases of securities as of December 31, 2017.

Redemptions Payable
The Fund accounts for subscriptions, allocations and redemptions on a per share basis.

Subscriptions received in advance
Subscription received in advance represents the amount of subscription received in advance.

Statement of Cash Flows
The Fund has elected not to provide a Statement of Cash Flows as permitted by the Financial Accounting Standards Board's Accounting Standards Codification (ASC) 230-10-15, "Statement of Cash Flows-Exemption of Certain Enterprises and Classification of Cash Flows from Certain Securities Acquired for Resale."

3. Fair Value Measurement

The Fund complies with financial reporting rules that establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Investment Manager. The Investment Manager considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Investment Manager's perceived risk of that instrument.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within level 1, include active listed equities, and certain money market securities. The Investment Manager does not adjust the quoted price for such instruments, even in situations where the Investment Manager holds a large position and a sale could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, are classified within level 2. These include investment-grade corporate bonds and less liquid listed equities. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The inputs used by the Investment Manager in estimating the value of the level 3 investment include the original transaction price, recent transactions in the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Investment Manager in the absence of market information. The fair value measurement of level 3 investments does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by the Investment Manager due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Fund's results of operations.

For the period from October 1, 2017 (commencement of operations) through December 31, 2017, the Fund had no investments classified within Level 3. There were no transfers in or out of either Level 1 or Level 2 as of or during that period as well.

The following table presents the financial instruments carried on the Statement of Assets and Liabilities by level:

	Assets at Fair Value as of December 31, 2017			
	Level 1	Level 2	Level 3	Total
Common stocks	$ 8,976,557	$ -	$ -	$ 8,976,557
Preferred stocks	824,332	-	-	824,332
Money market funds	803,202	-	-	803,202
	$ 10,604,091	$ -	$ -	$ 10,604,091

4. Share Capital

Non-Voting Common Shares
The Fund is authorized to issue an unlimited number of non-voting shares without a par value (the “Shares”). The Shares were offered at an initial price of $10 per share, and are thereafter offered at the then net asset value of such shares. The Shares have no voting rights, but do participate in all profits and losses of the Fund, including net changes in unrealized appreciation or depreciation of investments and realized investment gains or losses and income and expense (including the investment management fee as described in Note 5). Such profits and losses are generally allocated at least annually and each time new Shares are issued and redeemed.

The net asset value of a Share is determined by dividing the net assets attributable to the Shares by the total number of Shares outstanding.

The initial investment by each investor may not be less than $1,000,000. The Investment Manager may, at its discretion, allow initial investments of lower amounts but not less than the statutory minimum, currently $100,000 for initial subscription. Minimum additional amounts are determined by the Investment Manager at its discretion.

Management Shares
The Fund has authorized 100 shares of voting, non-participating Management Shares without par value. The Management Shares, which are the sole voting shares, are not entitled to participate in any profits or income of the Fund. The Management Shares are redeemable at $0.01 and are owned by the Investment Manager.

Redemptions
Subsequent to 90 days after an investor’s initial investment in the Fund, an investor may, annually, effective on the December 31, request the redemption of all or a portion of his Shares, upon at least 60 days prior written notice to the Investment Manager; provided that no partial withdrawal which would reduce an investor’s capital account below $100,000 will be accepted. The Fund, in its discretion, may at any time redeem all or a portion of the Shares of any investor. Redemptions may be paid in cash or, at the discretion of the Investment Manager, in marketable securities of the Fund at their fair market value. Withdrawals made with effective dates other than December 31st will be made based on the unaudited Net Asset Value as of the last business day prior to the effective date, and true-ups will be made as promptly as possible once the audited net asset value is available to the extent of any differences between the unaudited and audited net asset value.

Transfers
Interests are not transferable without the consent of the Investment Manager.

Distributions
The Fund does not intend to make distributions of income to its Shareholders.

5. Investment Management Fee

An investment management fee will be payable to the Investment Manager from time to time, but no less frequently than quarterly, in an amount equal to 25% of the amount by which the increase, if any, in the net asset value of the Fund at the time such investment management fee becomes payable exceeds 1.5%, on a quarterly basis, of the net asset value of the Fund at the time such investment management fee was most recently paid to the Investment Manager, except that no investment management fee will be paid unless at the time such investment management fee becomes payable the net asset value of a Share is at its historic highest value after giving effect to distributions, if any, to investors by the Fund and any share split or share dividends with respect to Shares of the Fund. For the period, October 1, 2017 (commencement of operations) through December 31, 2017, the Investment Manager did not earn any investment management fee.

An Investment Management Fee will become payable to the Investment Manager on the last day of each quarter and on the final trading day immediately preceding (i) any investment in Shares of the Fund by a new or existing investor and (ii) any redemption by an investor of all or any portion of such investor's Shares of the Fund (or transfer of ownership of such investor's Shares of the Fund not solicited by the Investment Manager).

6. Principal Shareholders

At December 31, 2017, five shareholders held approximately 64% of the net asset value of the total Common Shares issued.

7. Risks

Market and Credit Risks

The success of any investment activity is influenced by general economic and financial conditions that may affect the level and volatility of security prices and interest rates. As recent events have demonstrated, unexpected volatility, illiquidity, governmental action, currency devaluation, or other events in the U.S. or global markets in which the Fund may directly or indirectly hold positions could impair the Fund's ability to carry out its business and could cause the Fund to incur substantial losses.

The Fund's trading activities expose the Fund to both market risk, the risks from changes in fair value, and credit risk, the risk of failure by another party to perform according to the terms of a contract.

Market risk is the potential for changes in fair value of financial instruments from market changes, including fluctuations in market prices. Market risk is directly affected by the volatility and liquidity in the markets in which the related underlying assets are traded.

Credit risk exists from the possibility of loss from the failure of the counterparty to perform according to the terms of a contract.

The Fund has a substantial portion of its assets on deposit with brokers in connection with its trading of certain investments and its cash management activities. In the event of a financial institution's insolvency, recovery of the Fund assets on deposit may be limited.

Currency Risks

The Fund invests in assets and liabilities denominated in foreign currencies which are translated into U.S. dollar amounts at the year-end exchange rates. The value of these assets and liabilities are exposed to fluctuations in the foreign currencies as compared to the US dollar.

Emerging Market Risk

Investments in securities and instruments traded in developing or emerging markets, or that provide exposure to these securities or markets, can involve additional risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments or investments in more developed international markets. For example, emerging markets may be subject to, among other risks, greater market volatility; lower trading volume and liquidity; greater social, political and economic uncertainty; governmental controls on foreign investments and limitations on repatriation of invested capital; lower disclosure, corporate governance, auditing and financial reporting standards; fewer protections of property rights; restrictions on the transfer of securities or currency; and settlement and trading practices that differ from U.S. markets and markets of more developed countries. Each of these factors may impact the ability of the Fund to buy, sell or otherwise transfer securities, adversely affect the Fund and cause the Fund to decline in value.

8. Financial Highlights

Financial highlights are calculated for a Share outstanding for the period from October 1, 2017 (commencement of operations) through December 31, 2017. An individual investor's return and ratios may vary based on the timing of capital transactions. Ratios are computed based on average monthly net assets and have been annualized.

		Common Shares	
Selected per share data			
Initial offering price	$	10.00	
Income from investment operations[1]			
Net investment loss		-	
Net realized and net change in unrealized appreciation		0.05	
Net asset value, end of year	$	10.05	
Total return			
Total return before management fees		0.49	%
Management fees		-	
Total return after management fees		0.49	%
Ratios to average net assets			
Operating expenses		0.63	%
Expenses borne by investment manager		-	
Total operating expenses and management fees		0.63	%
Net investment gain		0.63	%

(1) Calculated using the average number of shares outstanding during the year.

9. Subsequent Events

The Fund has evaluated subsequent events through the issuance of the Fund's financial statements on March 29, 2018.

From January 1, 2018 through March 29, 2018 the Fund received capital contributions of approximately $17,594,451 of which $13,899,975 was received in advance.

Dhandho Junoon LP

Financial Statements

Period from July 1, 2016 (commencement of operations) through December 31, 2017

Dhandho Junoon LP
Index
December 31, 2017

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Report of Independent Auditors

To the General Partner of Dhandho Junoon LP

We have audited the accompanying financial statements of Dhandho Junoon LP (the "Partnership"), which comprise the statement of assets, liabilities and partners' capital, including the condensed schedule of investments, as of December 31, 2017, and the related statements of operations and of changes in partners' capital for the period from July 1, 2016 (commencement of operations) through December 31, 2017.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Partnership's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dhandho Junoon LP as of December 31, 2017, and the results of its operations and changes in its partners' capital for the period from July 1, 2016 (commencement of operations) through December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers

March 29, 2018

PricewaterhouseCoopers, 18 Forum Lane, Camana Bay, P.O. Box 258, Grand Cayman KY1-1104, Cayman Islands
T: +1 (345) 949 7000, F: +1 (345) 949 7352, www.pwc.com/ky

Dhandho Junoon LP
Statement of Assets, Liabilities and Partners' Capital
December 31, 2017
(expressed in United States dollars)

Assets	
Cash	$ 23,453
Investments, at fair value (cost $4,790,977)	5,834,396
Dividends receivable	4,128
Other assets	53,910
Total assets	5,915,887
Liabilities	
Other liabilities	57,951
Payable to General Partner	199
Accrued expenses and other liabilities	25,543
Total liabilities	83,693
Partners' capital	
General partner (10,913 units at $13.05 per unit)	142,426
Limited partners (435,974 units at $13.05 per unit)	5,689,768
Total partners' capital	5,832,194
Total liabilities and partners' capital	$ 5,915,887

The accompanying notes are an integral part of these financial statements.

Dhandho Junoon LP
Statement of Operations
For the period from July 1, 2016 (commencement of operations) through December 31, 2017
(expressed in United States dollars)

Investment income	
Dividend income (net of withholding tax of $421)	$ 82,509
Interest income	20
Total investment income	82,529
Expenses	
Professional fees	15,000
Administration fee	35,014
Other expense	28,346
Total expenses	78,360
Expenses borne by General Partner	(38,636)
Net expenses	39,724
Net investment income	42,805
Net realized and unrealized gain on investments	
Net realized gain on investments	348,211
Net change in unrealized appreciation on investments	1,043,419
Net realized and unrealized gain on investments	1,391,630
Net increase in partners' capital resulting from operations	$ 1,434,435

The accompanying notes are an integral part of these financial statements.

Dhandho Junoon LP
Statement of Changes in Partners' Capital
For the period from July 1, 2016 (commencement of operations) through December 31, 2017
(expressed in United States dollars)

	General Partner	Limited Partners	Total
Balance, July 1, 2016	$ -	$ -	-
Contributions (460,974 units)	-	4,680,000	4,680,000
Redemptions (25,000 units)	-	(282,241)	(282,241)
Net increase in partners' capital from operations	4,245	1,430,190	1,434,435
Performance allocation to General Partner	-	(138,181)	(138,181)
Reinvestment of performance allocation (10,913 units)	138,181		138,181
Balance, December 31, 2017	$ 142,426	$ 5,689,768	$ 5,832,194

The accompanying notes are an integral part of these financial statements.

Dhandho Junoon LP
Condensed Schedule of Investments
December 31, 2017

Number of Shares		Value as Percentage of Net Assets	Cost	Fair Value
	Common Stocks			
	United States			
	Consumer Discretionary			
125	NVR Inc.	7.52%	$ 236,110	$ 438,528
3,268	Marriott Vacations Worldwide Corporation	7.58%	262,383	441,866
	Other	4.00%	200,638	233,110
	Financials			
2,853	MSCI Inc.	6.19%	295,681	361,019
	Other*	7.16%	441,903	417,601
	Industrials			
1,887	Huntington Ingalls Inds Inc.	7.63%	358,757	444,766
	Other*	10.21%	564,713	595,319
	Information Technology			
4,295	Altaba Inc.	5.14%	235,892	300,006
3,810	Science Applications International Corporation	5.00%	268,267	291,732
3,120	Verisgin Inc.	6.12%	296,900	357,053
13,623	Vishay Precision Group Inc.	5.87%	251,731	342,618
	Other*	10.46%	617,848	609,854
	Materials	3.19%	120,921	186,075
	Total United States	86.07%	4,151,744	5,019,547
	Canada			
	Consumer Discretionary	3.81%	225,993	222,435
	Total Canada	3.81%	225,993	222,435
	China			
	Consumer Discretionary			
42,955	BYD Co. LTD Ser H	6.42%	274,201	374,181
	Total China	6.42%	274,201	374,181
	The Netherlands			
	Financials	0.09%	5,248	5,277
	Total The Netherlands	0.09%	5,248	5,277
	United Kingdom			
	Consumer Discretionary	3.65%	133,791	212,956
	Total United Kingdom	3.65%	133,791	212,956
	Total Common Stocks	100.04%	$ 4,790,977	$ 5,834,396

* No one security represents greater than 5%.

The accompanying notes are an integral part of these financial statements.

1. Organization

Dhandho Junoon LP (the “Partnership”), a Delaware limited partnership, was organized on April 18, 2016 and commenced operations on July 1, 2016. The Partnership will continue indefinitely until wound up in accordance with the provisions of the Partnership’s Limited Partnership Agreement.

Dhandho Funds, LLC serves as the Partnership’s General Partner (the "General Partner") and is responsible for the management of the Partnership’s assets. The Partnership will seek to earn above market returns and long-term appreciation by investing in common equity securities Dhandho Junoon Algorithm (the “Algorithm”). The General Partner reserves the right to modify any and all parameters of the Algorithm no more frequently than on a quarterly basis. Since the launch of the fund, the Investment Manager has reduced the number of stocks from 100 to 22.

The Partnership utilizes UBS Financial Services Inc. (“UBS”) as its principal broker-dealer and maintains its cash and investments with UBS. All subscriptions and proceeds from investors are received into the Northbrook Bank & Trust – Wintrust Funds Group (“Wintrust”) account, and all redemptions and disbursements are made from the Wintrust account.

The Partnership has also entered into an agreement with Liccar to perform all general administrative tasks of the Partnership, including keeping the financial records, preparation of reports to Limited Partners and approval of all disbursements.

2. Significant Accounting Policies

Method of Reporting

The Partnership’s financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). The General Partner has evaluated the structure, objectives and activities of the Partnership and determined that the Partnership meets the characteristics of an investment company.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from the estimates included in the financial statements.

Contingencies and Commitments

In the normal course of business, the Partnership enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Partnership’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Partnership that have not yet occurred. However, based on experience, the General Partner expects the risk of material loss to be remote.

Security Valuation

Securities that are listed on an exchange and are freely transferable shall be valued at their last sales price on such exchange on the date of determination, or, if no sales occurred on such day, at the “bid” price on such exchange at the close of business on such day and if sold short at the “asked” price at the close of business on such day. Investments whose market quotations are not readily available are valued at fair value as determined in good faith under procedures established by the General Partner. Because of the inherent uncertainty of valuation, the estimate of fair value may differ from the values that would have been used had a ready market existed and the differences could be material. Money market funds are valued at net assets value per share, which approximates fair value. Notwithstanding the foregoing, if in the reasonable judgment of the Partnership, in its sole discretion, the listed price for any security held by the Partnership does not accurately reflect the value of such security, the Partnership may value such security at a price which is greater or less than the quoted market price for such security.

Security Transactions and Income and Expense Recognition
Investment transactions are recorded on the trade date. Income and expenses are recorded on the accrual basis and dividend income and capital gain distributions are recorded on the ex-dividend date net of foreign dividend withholding taxes. Realized gains and losses are recorded on the specific identification method.

Foreign Currency Transactions
Assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the year-end exchange rates. Purchases and sales of these assets and liabilities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Partnership does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of investments held.

Income Taxes
No provision is made in the accompanying financial statements for liabilities for federal, state or local income taxes since such liabilities are not the responsibility of the Partnership. Each partner is required to report on his/her income tax return his/her proportionate share of the items of income and deduction of the Partnership.

Management has continued to evaluate the application of Accounting Standards Codification ("ASC") 740, "Income Taxes", and has determined that no reserves for uncertain tax positions were required to have been recorded as a result of the adoption of ASC 740. Open tax years are those that are open for exam by taxing authorities. As of December 31, 2017, open tax years include the tax year from July 1, 2016 (commencement of operations) through December 31, 2017. The Partnership is not aware of any examinations in progress. The Partnership has reviewed all open tax years and major jurisdictions and concluded that the adoption of these financial reporting rules resulted in no effect to the Partnership's financial position or results of operations. There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on the tax return for the fiscal year ended December 31, 2017. The Partnership is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefit will significantly change in the next twelve months.

Redemptions Payable
The Partnership accounts for subscriptions, allocations and redemptions on a per share basis.

Subscriptions received in advance
Subscription received in advance represents the amount of subscriptions received in advance.

Statement of Cash Flows
The Partnership has elected not to provide a Statement of Cash Flows as permitted by the Financial Accounting Standards Board's Accounting Standards Codification (ASC) 230-10-15, "Statement of Cash Flows-Exemption of Certain Enterprises and Classification of Cash Flows from Certain Securities Acquired for Resale."

3. Fair Value Measurement

The Partnership complies with financial reporting rules that establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by the General Partner. The General Partner considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the General Partner's perceived risk of that instrument.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within level 1, include active listed equities, and certain money market securities. The General Partner does not adjust the quoted price for such instruments, even in situations where the General Partner holds a large position and a sale could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, are classified within level 2. These include investment-grade corporate bonds and less liquid listed equities. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The inputs used by the General Partner in estimating the value of the level 3 investment include the original transaction price, recent transactions in the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the General Partner in the absence of market information. The fair value measurement of level 3 investments does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by the General Partner due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Partnership's results of operations.

For the period from July 1, 2016 (commencement of operations) through December 31, 2017, the Partnership had no investments classified within Level 3. There were no transfers in or out of either Level 1 or Level 2 as of or during that period as well.

The following table presents the financial instruments carried on the Statement of Assets and Liabilities by level:

	Assets at Fair Value as of December 31, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Common stock	$ 5,834,396	$ -	$ -	$ 5,834,396
	$ 5,834,396	$ -	$ -	$ 5,834,396

4. Partners' Capital

Subscriptions and Units

Each Limited Partner of the Partnership must qualify as an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933 and a "qualified purchaser" as defined under the Investment Company Act of 1940. In exchange for each Partner's subscription to the Partnership, the Partnership issues Units, which represent an undivided proportionate interest in the assets and liabilities of the Partnership. Units were initially issued at $10 and are subsequently offered at Unit Value. As of any valuation date, the Unit Value is determined by dividing the Partners' Capital of the Partnership by the total number of Units outstanding. The initial investment by each Limited Partner may not be less than $1,000,000, and each additional investment may not be less than $25,000. The General Partner, in its sole discretion, reserves the right to increase the minimum investment amount as the number of Partners increases and/or to accept investments below the then applicable minimum investment amount. For the period from July 1, 2016 (commencement of operations) through December 31, 2017 the Partnership had subscriptions of $4,680,000.

Redemptions

Subsequent to 90 days after an investor's initial investment in the Partnership, an investor may, once a quarter, effective on the last day of the corresponding quarter, request the redemption of all or a portion of his Shares, upon at least 60 days prior written notice to the General Partner; provided that no partial withdrawal which would reduce an investor's capital account below $100,000 will be accepted. The Partnership, in its discretion, may at any time redeem all or a portion of the Shares of any investor. Redemptions may be paid in cash or, at the discretion of the General Partner, in marketable securities of the Partnership at their fair market value. Withdrawals made with effective dates other than December 31st will be made based on the unaudited Net Asset Value as of the last business day prior to the effective date, and true-ups will be made as promptly as possible once the audited net asset value is available to the extent of any differences between the unaudited and audited net asset value. For the period from July 1, 2016 (commencement of operations) through December 31, 2017, the General Partner approved partners' withdrawal requests of $282,241 of which $282,241 was paid out during that period.

Transfers

Interests are not transferable without the consent of the General Partner.

Distributions

The Partnership does not intend to make distributions of income to its Partners.

5. General Partner Allocation

The General Partner is entitled to a performance allocation equal to 25% of the amount by which the increase, if any, in the Net Asset Value Per Unit exceeds 1.5% on a quarterly basis over the "High Water Mark" in effect immediately prior to the applicable valuation date. The valuation date is defined as the last day of each fiscal quarter and the day immediately preceding the date upon which a capital contribution of the Partnership or withdrawal of capital in excess of $25,000 is made. The "High Water Mark" initially means the Net Asset Value Per Unit of $10, and is adjusted, as of each valuation date, to equal the greater of (a) the High Water Mark immediately prior to such valuation date, increased at a per annum rate of 6% or (b) the Net Asset Value Per Unit as of such valuation date.

During the period from July 1, 2016 (commencement of operations) through June 30, 2017 the General Partner waived all potential performance allocation until the Partnership reached $5,000,000 and for the period, July 1, 2017 through December 31, 2017, the General Partner earned a performance allocation of $138,181, which it has elected to reinvest in the Partnership. As the allocation was earned, additional units were issued at the then Net Asset Value Per Unit.

For the period from July 1, 2016 (commencement of operations) through June 30, 2017, the General Partner paid all of the Partnership's expenses which amounted to $38,636. For the period from July 1, 2017 through December 31, 2017, the Partnership bears the remaining expenses.

6. Related Party

At December 31, 2017, the General Partner held approximately 3% of the net asset value of the total equity.

7. Principal Limited Partner

At December 31, 2017, three limited partners held 67% of the total partners' capital.

8. Risks

Market and Credit Risks

The success of any investment activity is influenced by general economic and financial conditions that may affect the level and volatility of security prices and interest rates. As recent events have demonstrated, unexpected volatility, illiquidity, governmental action, currency devaluation, or other events in the U.S. or global markets in which the Partnership may directly or indirectly hold positions could impair the Partnership's ability to carry out its business and could cause the Partnership to incur substantial losses.

The Partnership's trading activities expose the Partnership to both market risk, the risks from changes in fair value, and credit risk, the risk of failure by another party to perform according to the terms of a contract.

Market risk is the potential for changes in fair value of financial instruments from market changes, including fluctuations in market prices. Market risk is directly affected by the volatility and liquidity in the markets in which the related underlying assets are traded.

Credit risk exists from the possibility of loss from the failure of the counterparty to perform according to the terms of a contract.

The Partnership has a substantial portion of its assets on deposit with brokers in connection with its trading of certain investments and its cash management activities. In the event of a financial institution's insolvency, recovery of the Partnership assets on deposit may be limited.

Currency Risks
The Partnership invests in assets and liabilities denominated in foreign currencies which are translated into U.S. dollar amounts at the year-end exchange rates. The value of these assets and liabilities are exposed to fluctuations in the foreign currencies as compared to the US dollar.

Algorithm Risks
The Partnership's investments are driven largely through investment decisions generated by a rules-based algorithm. This differs from a traditional "actively managed fund." As a result, the Partnership will generally hold constituent securities identified by the Algorithm regardless of the current or projected performance of a specific security or a particular industry or market sector. Maintaining investments in securities regardless of market conditions or the performance of individual securities could cause the Partnership's return to be lower than if the Partnership employed a traditional active strategy. Furthermore, limited historical performance is available for the Algorithm and the Partnership. The General Partner reserves the right to modify any and all parameters of the Algorithm on a quarterly basis. While the General Partner will not intentionally make any modifications that it believes will adversely impact the performance of the Algorithm and/or the Partnership, no assurances can be given that some or all of the modifications made by the General Partner will not turn out to adversely (or materially adversely) impact the performance of the Algorithm and/or the Partnership.

9. Financial Highlights

Financial highlights are calculated for a Limited Partner unit outstanding for the period from July 1, 2016 through December 31, 2017. An individual Limited Partner's return and ratios may vary based on timing of capital transactions. The ratios are computed based on the average Limited Partners' capital, calculated for all Limited Partners as a group and have been annualized.

Selected per unit data			
Limited Partner unit value, beginning of period	$	10.00	
Income from investment operations[1]			
Net investment income / (loss)		0.07	
Net realized gain and net change in unrealized appreciation / (depreciation)		3.31	
Performance allocation		(0.33)	
Limited Partner unit value, end of period	$	13.05	
Total return			
Total return before performance allocation		33.86	%
Performance allocation		(3.35)	
Total return after performance allocation		30.51	%
Ratios to average limited partners' capital			
Operating Expenses		1.16	%
Expenses paid by General Partner		(0.69)	
Performance allocation		3.09	
Total operating expenses and performance allocation		3.56	%
Net investment income / (loss)		0.64%	%

(1) Calculated using the average number of units outstanding during the period.

10. Subsequent Events

The Partnership has evaluated subsequent events through the issuance of the Partnership's financial statements on March 29, 2018.

From January 1, 2018 through March 29, 2018 the Partnership received capital contributions of approximately $2,000,000 of which $0 was received in advanced.

Dhandho Junoon Offshore Ltd.

Financial Statements
For the Year Ended December 31, 2017

Dhandho Junoon Offshore Ltd.
Index
December 31, 2017

Report of Independent Auditors

To the Board of Directors of Dhandho Junoon Offshore Ltd.

We have audited the accompanying financial statements of Dhandho Junoon Offshore Ltd. (the "Fund"), which comprise the statement of assets and liabilities, including the condensed schedule of investments, as of December 31, 2017, and the related statements of operations and of changes in net assets for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dhandho Junoon Offshore Ltd. as of December 31, 2017, and the results of its operations and changes in its net assets for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers

March 29, 2018

PricewaterhouseCoopers, 18 Forum Lane, Camana Bay, PO Box 258, Grand Cayman KY1-1104, Cayman Islands
T: +1 (345) 949 7000, F: +1 (345) 949 7352, www.pwc.com/ky

Dhandho Junoon Offshore Ltd.
Statement of Assets and Liabilities
December 31, 2017
(expressed in United States dollars)

Assets		
Cash	$	2,422,709
Investments, at fair value (cost $5,228,076)		6,091,507
Dividends receivable		4,311
Other assets		36,929
Total assets		8,555,456
Liabilities		
Payable to Investment Manager		89
Other liabilities		34,896
Investment management fee payable		34,054
Subscriptions received in advance		2,400,000
Accrued expenses and other liabilities		19,976
Total liabilities		2,489,015
Net assets	$	6,066,441
Net assets consist of:		
Management shares (100 authorized; 100 issued and outstanding)	$	1
Shares (457,397 issued and outstanding)		6,066,440
Total net assets	$	6,066,441
Net asset value per share	$	13.26

The accompanying notes are an integral part of these financial statements.

Dhandho Junoon Offshore Ltd.
Statement of Operations
For the year ended December 31, 2017
(expressed in United States dollars)

Investment income		
Dividend income (net of withholding tax of $12,447)	$	29,035
Interest income		16
Total investment income		29,051
Expenses		
Professional fees		15,000
Administration fee		16,524
Investment management fee		34,054
Other expense		10,421
Total expenses		75,999
Expenses borne by investment manager		(16,363)
Net expenses		59,636
Net investment loss		(30,585)
Net realized and unrealized gain on investments		
Net realized gain on investments		17,396
Net change in unrealized appreciation on investments		753,467
Net realized and unrealized gain on investments		770,863
Net increase in net assets resulting from operations	$	740,278

The accompanying notes are an integral part of these financial statements.

Dhandho Junoon Offshore Ltd.
Statement of Changes in Net Assets
For the year ended December 31, 2017
(expressed in United States dollars)

Increase in net assets from operations		
Net investment loss	$	(30,585)
Net realized gain on investments		17,396
Net change in unrealized appreciation on investments		753,467
Net increase in net assets resulting from operations		740,278
Capital transactions		
Subscriptions of common shares (357,399 shares)		4,199,975
Net change in net assets resulting from capital transactions		4,199,975
Net increase in net assets for the year		4,940,253
Net assets at:		
Beginning of year		1,126,188
End of year	$	6,066,441

The accompanying notes are an integral part of these financial statements.

Dhandho Junoon Offshore Ltd.
Condensed Schedule of Investments
December 31, 2017

Number of Shares		Value as Percentage of Net Assets	Cost	Fair Value
	Common Stocks			
	United States			
	Consumer Discretionary			
130	NVR Inc.	7.52%	$ 282,555	$ 456,069
3,429	Marriott Vacations Worldwide Corporation	7.64%	331,566	463,635
	Other	3.99%	215,416	242,005
	Financials			
2,979	MSCI Inc.	6.21%	316,094	376,963
	Other*	7.18%	457,242	435,408
	Industrials			
1,983	Huntington Ingalls Inds Inc.	7.70%	403,224	467,393
	Other*	10.25%	600,703	621,593
	Information Technology			
4,492	Altaba Inc.	5.17%	255,968	313,766
4,061	Science Applications International Corporation	5.13%	296,171	310,951
3,242	Verisgin Inc.	6.12%	315,848	371,014
14,210	Vishay Precision Group Inc.	5.89%	274,400	357,382
	Other*	10.47%	646,026	635,586
	Materials	3.13%	124,954	189,981
	Total United States	86.40%	4,520,167	5,241,746
	Canada			
	Consumer Discretionary	3.83%	237,032	232,456
	Total Canada	3.83%	237,032	232,456
	China			
	Consumer Discretionary			
44,678	BYD Co. LTD Ser H	6.42%	310,975	389,190
	Total China	6.42%	310,975	389,190
	The Netherlands			
	Financials	0.09%	5,371	5,400
	Total The Netherlands	0.09%	5,371	5,400
	United Kingdom			
	Consumer Discretionary	3.67%	154,531	222,715
	Total United Kingdom	3.67%	154,531	222,715
	Total Common Stocks	100.41%	$ 5,228,076	$ 6,091,507

* No one security represents greater than 5%.

The accompanying notes are an integral part of these financial statements.

1. Organization

Dhandho Junoon Offshore Ltd. (the “Fund”), a British Virgin Islands Corporation, was organized on February 3, 2016 and commenced operations on July 1, 2016. The Fund will continue indefinitely until wound up in accordance with the provisions of the Fund’s Articles of Association.

The Fund has been recognized as a professional fund under the Securities and Investment Business Act, 2010 (British Virgin Islands) (the “Funds Act”). The shares of a “professional fund” as defined in the Funds Act may be made available (including issued or transferred) to persons who are “professional investors” within the meaning of the Funds Act and on the basis that investment in the Fund by each investor is not less than $100,000.

Dhandho Funds, LLC serves as the Fund’s Investment Manager (the "Investment Manager") and is responsible for the management of the Fund’s assets. The Fund will seek to earn above market returns and long-term appreciation by investing in common equity securities pursuant to a rules-based algorithm named the Dhandho Junoon Algorithm (the “. Algorithm”). The Investment Manager reserves the right to modify any and all parameters of the Algorithm no more frequently than on a quarterly basis. Since the launch of the fund, the Investment Manager has reduced the number of stocks from 100 to 22.

The Fund utilizes UBS Financial Services Inc. (“UBS”) as its principal broker-dealer and maintains its cash and investments with UBS. All subscriptions and proceeds from investors are received into the Northbrook Bank & Trust – Wintrust Funds Group (“Wintrust”) account, and all redemptions and disbursements are made from the Wintrust account.

The Fund has also entered into an agreement with Liccar to perform all general administrative tasks of the Fund, including keeping the financial records, preparation of reports to shareholders and approval of all disbursements.

2. Significant Accounting Policies

Method of Reporting

The Fund’s financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). The Investment Manager has evaluated the structure, objectives and activities of the Fund and determined that the Fund meets the characteristics of an investment company.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from the estimates included in the financial statements.

Contingencies and Commitments

In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Fund’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Investment Manager expects the risk of material loss to be remote.

Security Valuation
Securities that are listed on an exchange and are freely transferable shall be valued at their last sales price on such exchange on the date of determination, or, if no sales occurred on such day, at the "bid" price on such exchange at the close of business on such day and if sold short at the "asked" price at the close of business on such day. Investments whose market quotations are not readily available are valued at fair value as determined in good faith under procedures established by the Investment Manager. Because of the inherent uncertainty of valuation, the estimate of fair value may differ from the values that would have been used had a ready market existed and the differences could be material. Money market funds are valued at net assets value per share, which approximates fair value. Notwithstanding the foregoing, if in the reasonable judgment of the Fund, in its sole discretion, the listed price for any security held by the Fund does not accurately reflect the value of such security, the Fund may value such security at a price which is greater or less than the quoted market price for such security.

Security Transactions and Income and Expense Recognition
Investment transactions are recorded on the trade date. Income and expenses are recorded on the accrual basis and dividend income and capital gain distributions are recorded on the ex-dividend date net of foreign dividend withholding taxes. Realized gains and losses are recorded on the specific identification method.

Foreign Currency Transactions
Assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the year-end exchange rates. Purchases and sales of these assets and liabilities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of investments held.

Income Taxes
The Fund has conducted and intends to conduct its operations so that it will not be engaged in a United States trade or business and, therefore, will not be subject to United States federal income tax on its net income from United States sources, except for United States withholding tax at a 30% rate on United States source dividend income received. Generally, there is no withholding on portfolio interest income and capital gains derived from United States securities.

Under the current British Virgin Islands legislation, the Fund is not required to pay taxes in the British Virgin Islands on income or capital gains. Because the Fund is not subject to taxation in the British Virgin Islands and it is management's opinion that its method of operations does not result in its being subject to income taxes, no provision for taxes has been made in these financial statements.

Management has continued to evaluate the application of Accounting Standards Codification ("ASC") 740, "Income Taxes", and has determined that no reserves for uncertain tax positions were required to have been recorded as a result of the adoption of ASC 740. Open tax years are those that are open for exam by taxing authorities. As of December 31, 2017, open tax years include the tax year from July 1, 2016 (commencement of operations) through December 31, 2016 and 2017. The Fund is not aware of any examinations in progress. The Fund has reviewed all open tax years and major jurisdictions and concluded that the adoption of these financial reporting rules resulted in no effect to the Fund's financial position or results of operations. There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on the tax return for the fiscal year ended December 31, 2017. The Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefit will significantly change in the next twelve months.

Redemptions Payable
The Fund accounts for subscriptions, allocations and redemptions on a per share basis.

Subscriptions received in advance
Subscription received in advance represents the amount of subscriptions received in advance.

Statement of Cash Flows
The Fund has elected not to provide a Statement of Cash Flows as permitted by the Financial Accounting Standards Board's Accounting Standards Codification (ASC) 230-10-15, "Statement of Cash Flows-Exemption of Certain Enterprises and Classification of Cash Flows from Certain Securities Acquired for Resale."

3. Fair Value Measurement

The Fund complies with financial reporting rules that establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Investment Manager. The Investment Manager considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Investment Manager's perceived risk of that instrument.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within level 1, include active listed equities, and certain money market securities. The Investment Manager does not adjust the quoted price for such instruments, even in situations where the Investment Manager holds a large position and a sale could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, are classified within level 2. These include investment-grade corporate bonds and less liquid listed equities. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The inputs used by the Investment Manager in estimating the value of the level 3 investment include the original transaction price, recent transactions in the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Investment Manager in the absence of market information. The fair value measurement of level 3 investments does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by the Investment Manager due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Fund's results of operations.

For the year ended December 31, 2017, the Fund had no investments classified within Level 3. There were no transfers in or out of either Level 1 or Level 2 as of or during that period as well.

The following table presents the financial instruments carried on the Statement of Assets and Liabilities by level:

	Assets at Fair Value as of December 31, 2017			
	Level 1	Level 2	Level 3	Total
Common stock	$ 6,091,507	$ -	$ -	$ 6,091,507
	$ 6,091,507	$ -	$ -	$ 6,091,507

4. Share Capital

Non-Voting Common Shares

The Fund is authorized to issue an unlimited number of non-voting shares without a par value (the “Shares”). The Shares were offered at an initial price of $10 per share, and are thereafter offered at the then net asset value of such shares. The Shares have no voting rights, but do participate in all profits and losses of the Fund, including net changes in unrealized appreciation or depreciation of investments and realized investment gains or losses and income and expense (including the investment management fee as described in Note 5). Such profits and losses are generally allocated at least annually and each time new Shares are issued and redeemed.

The net asset value of a Share is determined by dividing the net assets attributable to the Shares by the total number of Shares outstanding.

The initial investment by each investor may not be less than $1,000,000. The Investment Manager may, at its discretion, allow initial investments of lower amounts. Minimum additional amounts are determined by the Investment Manager at its discretion but not less than the statutory minimum, currently $100,000 for initial subscriptions.

Management Shares
The Fund has authorized 100 shares of voting, non-participating Management Shares without par value. The Management Shares, which are the sole voting shares, are not entitled to participate in any profits or income of the Fund. The Management Shares are redeemable at $0.01 and are owned by the Investment Manager.

Redemptions
Subsequent to 90 days after an investor's initial investment in the Fund, an investor may, once a quarter, effective on the last day of the corresponding quarter, request the redemption of all or a portion of his Shares, upon at least 60 days prior written notice to the Investment Manager; provided that no partial withdrawal which would reduce an investor's capital account below $100,000 will be accepted. The Fund, in its discretion, may at any time redeem all or a portion of the Shares of any investor. Redemptions may be paid in cash or, at the discretion of the Investment Manager, in marketable securities of the Fund at their fair market value. Withdrawals made with effective dates other than December 31st will be made based on the unaudited Net Asset Value as of the last business day prior to the effective date, and true-ups will be made as promptly as possible once the audited net asset value is available to the extent of any differences between the unaudited and audited net asset value.

Transfers
Interests are not transferable without the consent of the Investment Manager.

Distributions
The Fund does not intend to make distributions of income to its Shareholders.

5. Investment Management Fee

An investment management fee will be payable to the Investment Manager from time to time, but no less frequently than quarterly, in an amount equal to 25% of the amount by which the increase, if any, in the net asset value of the Fund at the time such investment management fee becomes payable exceeds 1.5%, on a quarterly basis, of the net asset value of the Fund at the time such investment management fee was most recently paid to the Investment Manager, except that no investment management fee will be paid unless at the time such investment management fee becomes payable the net asset value of a Share is at its historic highest value after giving effect to distributions, if any, to investors by the Fund and any share split or share dividends with respect to Shares of the Fund. For the period, January 1, 2017 through September 30, 2017, the Investment Manager waived the investment management fee and for the period, October 1, 2017 through December 31, 2017, the Investment Manager earned an investment management fee of $34,054 which remained payable at December 31, 2017.

An Investment Management Fee will become payable to the Investment Manager on the last day of each quarter and on the final trading day immediately preceding (i) any investment in Shares of the Fund by a new or existing investor and (ii) any redemption by an investor of all or any portion of such investor's Shares of the Fund (or transfer of ownership of such investor's Shares of the Fund not solicited by the Investment Manager).

For the period, January 1, 2017 through September 30, 2017, the Investment Manager bears all the Fund's expenses until the Fund reached $5,000,000. During this period, the Investment Manager paid $16,363 on behalf of the Fund. For the period, October 1, 2017 through December 31, 2017, the Fund bears the remaining expenses.

6. Principal Shareholders

At December 31, 2017, one shareholder held 21.86% of the net asset value of the total Common Shares issued.

7. Risks

Market and Credit Risks
The success of any investment activity is influenced by general economic and financial conditions that may affect the level and volatility of security prices and interest rates. As recent events have demonstrated, unexpected volatility, illiquidity, governmental action, currency devaluation, or other events in the U.S. or global markets in which the Fund may directly or indirectly hold positions could impair the Fund's ability to carry out its business and could cause the Fund to incur substantial losses.

The Fund’s trading activities expose the Fund to both market risk, the risks from changes in fair value, and credit risk, the risk of failure by another party to perform according to the terms of a contract.

Market risk is the potential for changes in fair value of financial instruments from market changes, including fluctuations in market prices. Market risk is directly affected by the volatility and liquidity in the markets in which the related underlying assets are traded.

Credit risk exists from the possibility of loss from the failure of the counterparty to perform according to the terms of a contract.

The Fund has a substantial portion of its assets on deposit with brokers in connection with its trading of certain investments and its cash management activities. In the event of a financial institution’s insolvency, recovery of the Fund assets on deposit may be limited.

Currency Risks
The Fund invests in assets and liabilities denominated in foreign currencies which are translated into U.S. dollar amounts at the year-end exchange rates. The value of these assets and liabilities are exposed to fluctuations in the foreign currencies as compared to the US dollar.

Algorithm Risks
The Fund’s investments are driven largely through investment decisions generated by a rules-based algorithm. This differs from a traditional “actively managed fund.” As a result, the Fund will generally hold constituent securities identified by the Algorithm regardless of the current or projected performance of a specific security or a particular industry or market sector. Maintaining investments in securities regardless of market conditions or the performance of individual securities could cause the fund’s return to be lower than if the Fund employed a traditional active strategy. Furthermore, limited historical performance is available for the Algorithm and the Fund. The Investment Manager reserves the right to modify any and all parameters of the Algorithm on a quarterly basis. While the Investment Manager will not intentionally make any modifications that it believes will adversely impact the performance of the Algorithm and/or the Fund, no assurances can be given that some or all of the modifications made by the Investment Manager will not turn out to adversely (or materially adversely) impact the performance of the Algorithm and/or the Fund.

8. Financial Highlights

Financial highlights are calculated for a Share outstanding for the year ended December 31, 2017. An individual investor's return and ratios may vary based on the timing of capital transactions. Ratios are computed based on average monthly net assets and have not been annualized.

	Common Shares
Selected per share data	
Net asset value, beginning of year	$ 11.26
Income from investment operations[1]	
Net investment loss	(0.11)
Net realized gain and net change in unrealized appreciation	2.23
Investment management fee	(0.12)
Net asset value, end of year	$ 13.26
Total return	
Total return before investment management fee	18.43 %
Investment management fee	(0.66)%
Total return after investment management fee	17.77 %
Ratios to average net assets	
Operating expenses	1.24 %
Expenses borne by investment manager	-0.48 %
Investment management fee	1.01 %
Total operating expenses and investment management fee	1.77 %
Net investment loss	(0.90)%

(1) Calculated using the average number of shares outstanding during the year.

9. Subsequent Events

The Fund has evaluated subsequent events through the issuance of the Fund's financial statements on March 29, 2018.

From January 1, 2018 through March 29, 2018 the Fund received capital contributions of approximately $2,900,000 of which $2,400,000 was received in advance.

Team Dhandho

MOHNISH PABRAI
Chairman & Chief Executive Officer

Irvine, California

FAHAD MISSMAR, *Chief Financial Officer*
JAYA BHARATH VELICHERLA, *Quantitative Analyst*

Dhandho Advisory Board

TERRY ADAMS, *Irvine, California*
NAVNEET CHUGH, *Fullerton, California*
SRINI PULAVARTI, *Los Angeles, California*

Auditor

PRICEWATERHOUSECOOPERS

Broker & Custodian

UBS AG, *The Desai Group*
KOTAK MAHINDRA BANK LIMITED, *India*

General Counsel

DENTONS US LLP, *Chicago*
CONYERS DILL & PEARMAN, *British Virgin Islands*
FINSEC LAW ADVISORS, *India*

Tax, Accounting & Administration

MICHAEL J. LICCAR & CO., LLC

Tax

BDO
PIETRANTONI MENDEZ & ALVAREZ LLC (PMA)