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To: All Limited Partners and Investors in Dhandho Holdings
From: Mohnish Pabrai, Managing Partner
Date: October 12, 2017
Re: **Q3 2017 Update**

Dear Partners:

Hope all is well. At 9/30/17, our **estimated** NAV per unit is \$10.69, up approximately 22.5% year to date and 6.9% since inception. Gains in Dhandho Holdings' NAV continue to be driven by gains in the investment portfolios at Stonetrust and the holding company.

Dhandho's unaudited final NAV at 6/30/17 was \$9.53 vs. our estimate of \$9.45.

Stonetrust Stock Purchase Agreement Signed

I am very pleased to announce that on September 29, 2017, Dhandho signed a stock purchase agreement to sell Stonetrust to an entity controlled by Francis Chou. For those unfamiliar with Francis, he is an ultra-high quality guy and a dear friend for many years. Francis is the CEO of Toronto-based Chou Associates Management and manages a series of five mutual funds that have over half a billion in assets under management. He has a deep background in insurance (having spent decades in and around Fairfax Financial Holdings) and value investing. Stonetrust is in the strongest financial position in its history. I expect Stonetrust to thrive under the complementary leadership of Francis and its CEO Mike Dileo.

I expect the deal to close during Q1 2018.

Here is a press release with more information: [Stonetrust Press Release](#).

Dhandho's Tangible Book Value

Dhandho Holdings currently carries approx. \$6.9 million of intangible assets on its books as a result of its acquisition of Stonetrust. While we bought the company at a premium to book value, it is being sold at a slight discount to book value.

If the Stonetrust sale closed on 9/30/17, Dhandho's **estimated** tangible NAV per unit would be \$10.07 after closing costs and other adjustments. This is the number investors need to focus on moving forward.

Dhandho's Junoon and India Zero Fee Funds

We now have approx. \$38 million in assets under management across the Junoon and India Zero Fee Funds. The India Fund had a successful launch on October 1st. And Junoon is doing quite well. Since inception on July 1, 2016, Junoon is up a cumulative 26.1%, after fees, vs. 23.1% for the S&P 500. We launched Junoon as an alternative to the S&P 500. If you have an allocation to an index like the S&P 500, we believe you'd be better off in the long-run moving those assets to Junoon.

The next opening for the India and Junoon funds is 1/2/2018. If you would like more information, please nudge either Fahad Missmar at fm@dhandhofunds.com or me at mp@dhandhofunds.com.

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 E. Buffett

Putting the Toothpaste Back in the Tube

We will receive \$40 million at closing of the Stonetrust transaction and another \$15 million within 135 days of closing. These two payments make up about 80+% of the purchase price. The rest will trickle in over the next four years and is subject to warranties against adverse development of reserves. Once we receive the \$55 million, we intend to make the first distribution of approximately \$75 million to investors. The goal is to keep returning capital as we receive payments and sell equity investments.

I expect that investors will have gotten back more than they invested in the next 3-4 years and they'll be left with a potentially valuable stake in the General Partner (GP) of Dhandho Funds. The plan is to keep Dhandho Funds private and make it a dividend paying entity as it achieves scale. There are very few businesses with the compelling economics of the GP interest in a set of successful private partnerships.

When we return the capital, investors can take the cash or they can elect to invest some or all of it in the various Pabrai Funds and/or Junoon and/or the Dhandho India Fund. I'll open up Pabrai Funds at that time for one quarter to allow folks in. This will give you a chance to stay "long Pabrai" should you prefer to do that.

2017 Annual Meeting Presentation

We had two very successful annual meetings in September at Soka University in California and at Carlucci's in Chicago. It was a pleasure to meet old friends and partners and welcome new ones. I'm very grateful to Lynn, Betsy, Nickii, Karen, Valerie and Julie for all their diligence in organizing the various facets of the meetings and dinners so flawlessly.

The link to the annual meeting presentation is here and on our website for your perusal (the password to the video is "Munger") and the slides about Dhandho are between 10:40 and 12:15:

<https://vimeo.com/234044488>

The transcript to the meeting will be posted on the website during Q1 2018.

Chai with Pabrai Blog and Twitter

My blog can be accessed here: <http://www.chaiwithpabrai.com/>. And you can follow me on Twitter here: <https://twitter.com/MohnishPabrai>.

Talk at the University of California at Irvine's Paul Merage School of Business

I thoroughly enjoyed going back to the University of California, Irvine to give my 2nd annual UCI lecture entitled, "Few Bets. Big Bets. Infrequent Bets." The presentation was followed by a rich Q&A on a diverse range of topics. Here is the link:

<http://www.chaiwithpabrai.com/blog/few-bets-big-bets-infrequent-bets>

Talk at Google

On June 23, 2017, I gave a talk at Google entitled "Intensive Stock Research Can Be Injurious to Your Financial Health."

Here is the link to the video:

<https://www.youtube.com/watch?v=kNAuELYN5X4>

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 this 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 – 7:15 PM: Cocktail Hour
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, referrals and support. Feel free to call me at +1949.878.3553 or email me at mpabrai@dhandho-holdings.com with any queries or comments.

Warm regards,

A handwritten signature in black ink, appearing to read 'Mohnish Pabrai', with a long horizontal flourish extending to the right.

Mohnish Pabrai

Appendix

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	\$10.69* <i>estimate</i>

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.