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To: All Limited Partners & Investors of Dhandho Zero Fee Funds  
and Dhandho Holdings  
From: Mohnish Pabrai, Managing Partner  
Date: July 18, 2022  
Re: **Q2 2022 Results etc.**

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Dear Partners:

Hope all is well. This is our usual quarterly update on the ongoings at Dhandho Holdings and Dhandho Funds.

### **Dhandho Holdings**

The estimated NAV at 6/30/22 was \$1.78 per unit for Dhandho Holdings LP and \$1.72 per unit for Dhandho Holdings Qualified Purchaser LP. The NAVs are down 8.7% and 8%, respectively, for the quarter. These estimated NAVs are likely inflated by Tandem's carrying value, which now accounts for approx. 55% of the NAV. Tandem's value has a one quarter lag because we usually receive their financials a few months after quarter-end. Thus, our 6/30 NAV is carrying Tandem at its 3/31 value. Usually, Tandem's NAV does not move significantly from quarter to quarter. But that may not be the case this quarter given the current state of venture capital valuations. We will provide the final 6/30 NAV reflecting Tandem's 6/30 value in our October letter.

As a reminder, we returned \$0.50 per unit to you all in Q1 2022, bringing the total cash returned since inception to 80% of the capital that most of you contributed in 2014. There are no imminent distributions planned in the near term. Given price movements this quarter, the India Funds and Junoon are now approx. 70% and 40% away from fee-earning territory, respectively. Accordingly, we have adjusted down the carrying value of Dhandho Funds in our NAV by 23% (that value is now approx. 8% of the NAV). Both funds

have great bets that could come alive dramatically when markets turn and that would bode well for us and future distributions. Dhandho Holdings' public stock portfolio is concentrated and similarly well positioned.

Although I do not recommend that anyone sell their Dhandho units, we do have a mechanism to get you liquidity by helping you sell units if you want to move on. Several folks have expressed an interest in buying Dhandho units and insiders (excluding me) will have a preference to further align interests. Please email Fahad Missmar ([fm@dhandhofunds.com](mailto:fm@dhandhofunds.com)) if this is of interest.

### India Zero Fee Funds (INLP and INOL)

The updated performance numbers of the funds are:

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

	<b>S&amp;P 500</b>	<b>India US (net to investors)</b>
10/1/17 - 12/31/17	<b>6.6%</b>	<b>1.1%</b>
1/1/18 - 12/31/18	<b>-4.5%</b>	<b>-21.2%</b>
1/1/19 - 12/31/19	<b>31.5%</b>	<b>-4.3%</b>
1/1/20 - 12/31/20	<b>18.3%</b>	<b>3.4%</b>
1/1/21 - 12/31/21	<b>28.7%</b>	<b>43.7%</b>
1/1/22 - 6/30/22	<b>-20.0%</b>	<b>-32.3%</b>
<b>Annualized</b>	<b>10.9%</b>	<b>-5.4%</b>
<b>Cumulative</b>	<b>63.1%</b>	<b>-23.3%</b>

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

	<b>S&amp;P 500</b>	<b>India Offshore (net to investors)</b>
10/1/17 - 12/31/17	<b>6.6%</b>	<b>0.5%</b>
1/1/18 - 12/31/18	<b>-4.5%</b>	<b>-20.2%</b>
1/1/19 - 12/31/19	<b>31.5%</b>	<b>-4.5%</b>
1/1/20 - 12/31/20	<b>18.3%</b>	<b>1.2%</b>
1/1/21 - 12/31/21	<b>28.7%</b>	<b>43.4%</b>
1/1/22 - 6/30/22	<b>-20.0%</b>	<b>-31.8%</b>
<b>Annualized</b>	<b>10.9%</b>	<b>-5.7%</b>
<b>Cumulative</b>	<b>63.1%</b>	<b>-24.2%</b>

The S&P 500 index fell 16.1% this quarter while INLP fell 21.8% and INOL fell 21%.

*"You make most of your money in a bear market. You just don't realize it at the time"*

- Shelby Cullom Davis

At INLP and INOL, the top three positions (IEX, Micron, Sunteck) make up about 2/3<sup>rd</sup> of the pie. We love all three businesses and their leaders. The remaining 1/3 has a few compounders that may be changing hands at multiples of their current price in the years ahead. The largest contributor to the India Funds' declines this quarter was the 30% drop in our two largest holdings, Micron and Indian Energy Exchange (IEX). Both have strong tailwinds, deep moats and likely to exhibit strong performance in the years ahead.

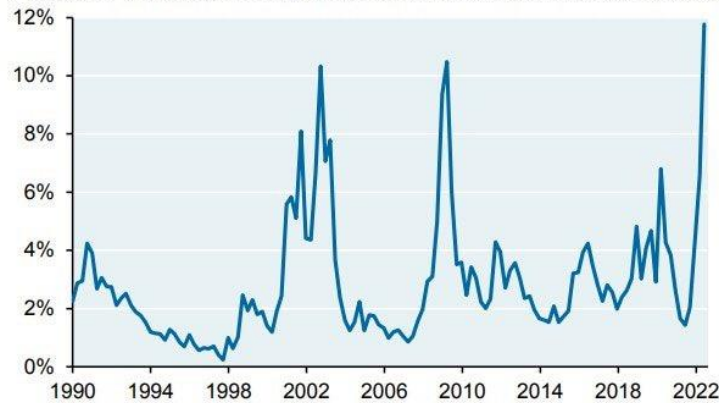
We had a negative outlier event with tax loss selling of one position in INLP this quarter that is explained on Page 4 of this letter. The tax loss selling had the effect of reducing the India US Fund NAV by 2.4%.

**Was Q2 2022 a market bottom?**

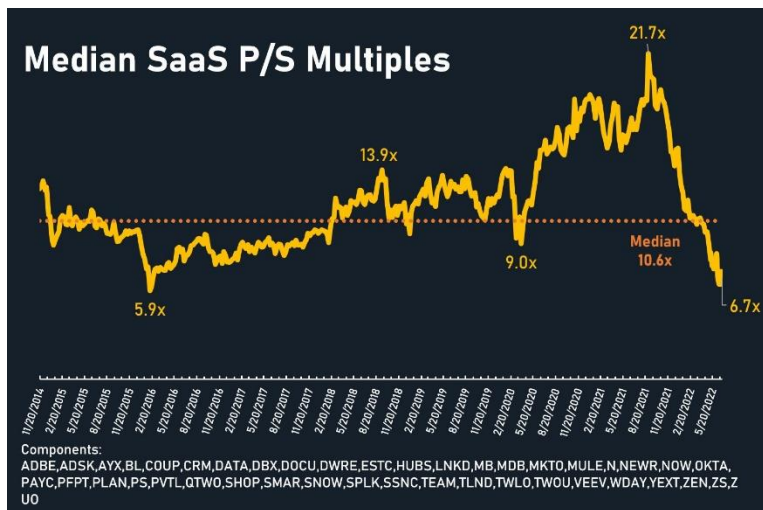
I am not a market timer and pay very little attention to macro prognostications. I am singularly focused is on finding multi-baggers with muted downsides. Having said that, when I look at our portfolio and where it is changing hands, things do feel bottomish. These two charts seem to support the view that we may be headed onward and upward from here. SaaS is short for Software as a Service.

### Signs of capitulation: stocks trading underwater

Percent of companies trading below cash and short term investments



Source: Factset, JPMAM. June 23, 2022. Universe: CRSP all cap.



### Tax Loss Selling Debacle (INLP only)

I hate tax loss selling. But over the years, it has served us well. When the US vehicles show meaningful net taxable gains, if we can, we sell a position in which we have offsetting losses and buy it back after 30 days. Where possible, we use the proceeds to temporarily buy a very similar business during that 30-day period, then swap it out. If the original stock moves, the odds are good that the swapped stock will move too. We focus on liquid names and those with limited risk of divergence. These moves inevitably cause some leakage, but that is usually benign given the tax savings. We've done this almost every year in our US vehicles to optimize all of our tax bills.

In early June 2022, INLP showed long-term net realized gains, and unrealized short-term losses in Prosus that dwarfed those gains. Prosus owns 29% of Tencent and that stake accounts for 80%+ of its look-thru NAV. Much to the chagrin of its management, Prosus trades at a steep discount to its underlying NAV: in early June, the marked to market look-thru value of Tencent alone was 2x Prosus' market cap. In 2021, Prosus announced

that would not sell any Tencent shares till April 2024. Given the massive weight of Tencent in Prosus' NAV, the two stocks typically move in lockstep.

On June 7, INLP sold all Prosus shares and bought Tencent with the proceeds. The plan was to reverse the swap after 30 days. On June 27, Prosus made a bombshell announcement: it was cancelling its voluntary lock-up with Tencent. Instead, Prosus would engage in an open-ended program of selling Tencent shares for cash to buy back its own stock until its NAV discount narrows. The market reacted immediately and Prosus shot up almost 20% that day. Tencent's stock fell given that its largest shareholder was now selling an unlimited amount of stock. Between 6/27 and 7/6, Prosus was up 26% and Tencent down 9.5%.

Our thesis in Prosus has not changed and we've proceeded to swap back the shares. But this fiasco resulted in the India US Fund paying a hefty price both in missing the pop in Prosus and in booking losses via Tencent. Even worse, the reduced proceeds from Tencent crimped our ability to buy back all the shares of Prosus we had owned before the swap. The end result is that INLP has 27% fewer shares than it did on June 1. A terrible result.

The odds of Prosus making this type of radical about-face announcement within our 4-week window were infinitesimally low. We could have done our tax loss selling anytime from July through year end and not encountered this issue. Even if we have started earlier this year through May 24<sup>th</sup> or so, it would have been benign. I had no reason to believe we'd have any issues, especially since both securities are mostly tied at the hip.

Prosus is still trading at a wide discount, and I'm confident that we will make up the losses over time. INOL, which does not have US tax obligations, did not engage in this swap and enjoyed the Prosus bump, which is partially why it slightly outperformed INLP this quarter.

### **Junoon Zero Fee Funds**

The updated performance numbers of the funds are:

**Dhandho Junoon LP (DJLP - US Qualified Purchasers) Performance Summary:**

	<b>S&amp;P 500</b>	<b>Junoon US (net to investors)</b>
7/1/16 - 12/31/16	<b>7.8%</b>	<b>12.9%</b>
1/1/17 - 12/31/17	<b>21.8%</b>	<b>15.6%</b>
1/1/18 - 12/31/18	<b>-4.5%</b>	<b>-16.2%</b>
1/1/19 - 12/31/19	<b>31.5%</b>	<b>14.6%</b>
1/1/20 - 12/31/20	<b>18.3%</b>	<b>15.1%</b>
1/1/21 - 12/31/21	<b>28.7%</b>	<b>14.9%</b>
1/1/22 - 06/30/22	<b>-20.0%</b>	<b>-22.7%</b>
<b>Annualized</b>	<b>12.3%</b>	<b>4.2%</b>
<b>Cumulative</b>	<b>100.9%</b>	<b>28.0%</b>

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

	<b>S&amp;P 500</b>	<b>Junoon Offshore (net to investors)</b>
7/1/16 - 12/31/16	<b>7.8%</b>	<b>12.6%</b>
1/1/17 - 12/31/17	<b>21.8%</b>	<b>17.8%</b>
1/1/18 - 12/31/18	<b>-4.5%</b>	<b>-16.2%</b>
1/1/19 - 12/31/19	<b>31.5%</b>	<b>13.9%</b>
1/1/20 - 12/31/20	<b>18.3%</b>	<b>11.3%</b>
1/1/21 - 12/31/21	<b>28.7%</b>	<b>11.5%</b>
1/1/22 - 6/30/22	<b>-20.0%</b>	<b>-21.9%</b>
<b>Annualized</b>	<b>12.3%</b>	<b>3.4%</b>
<b>Cumulative</b>	<b>100.9%</b>	<b>22.5%</b>

The two Junoon funds fell 14.5% and 15.7% this quarter- slightly better than the S&P 500's 16.1% drop. Junoon has significant exposure to Micron (28% of the portfolio in DJLP and 22% in DJOL), which is something we love. But Micron's stock price fell 30% this quarter, almost double what the S&P 500 lost, and that weighed on Junoon. In a recent interview, Micron's rockstar CEO, Sanjay Mehrotra, said that he plans to accelerate Micron's buyback given current prices. Smart guy. Junoon should do very well with its Micron position over the coming years.

*"The stock market is a device to transfer money from the impatient to the patient."*

- Warren Buffett

Junoon currently has 15 stocks. You can find Junoon's bets on pages 21 and 22 of our latest [Investor Presentation](#). Junoon does not make additions or removals to its portfolio outside of its April 1<sup>st</sup> window. There isn't much change to the portfolio even on April 1. This index-like inactivity is the bedrock of Junoon.

### **Subscriptions**

For the quarter ended June 30, 2022, a total of \$1.3 million was added to the various funds by new and existing partners. The additions on a per fund basis are:

Dhandho India Zero Fee US Fund:	\$0.3 million
Dhandho India Zero Fee Offshore Fund:	\$1.0 million
Dhandho Junoon Zero Fee US Fund:	\$0.1 million
<b>Total:</b>	<b>\$1.3 million</b>

### **Alignment of Interests**

My investment in Dhandho Holdings was worth about \$5.1 million at the 6/30/22 estimated NAV and The Dakshana Foundation's interest is worth \$0.5 million. My family, Fahad Missmar, Jaya Velicherla and The Dakshana Foundation own about 26% of Dhandho Holdings. It is important to note that Dhandho has never issued stock options or given units to management below fair value, etc.

### **The Zero Fee Structure**

The fee structure of the Dhandho 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 zero until a 6% annualized return is delivered; above 6% investors keep  $\frac{3}{4}$  of the gains and Dhandho Funds keeps  $\frac{1}{4}$ . 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.

Dhandho Funds did not earn a performance fee for this quarter for its management of the India Zero Fee Funds and Junoon Zero Fee Funds.

### **Online Portal for Investment Statements**

Your 6/30 investor statement have been uploaded to your investor portal. If you have trouble accessing your investor portal or need to reset your password, please contact Kimberly Engleman at [ke@dhandhofunds.com](mailto:ke@dhandhofunds.com) for assistance.

Our fund administrator, Liccar, has migrated all investor portals to a new platform. You should have already received a link from Liccar Fund Services to set up your new portal. If you did not receive your email invitation, or you are experiencing issues, please contact Kimberly as soon as possible.

### **2021 Annual Report**

The [2021 Annual Report](#) of Dhandho Funds is on the website for your perusal.

### **Annual Redemption Date Only for Retirement Account RMDs**

We have an annual redemption date on September 30<sup>th</sup> only for retirement accounts invested in the PIFs in which the beneficial owner is 72 years or older. The purpose of this is to allow folks who are 72 years or older and who are invested in the PIFs with retirement assets to meet their annual RMDs. These investors can also still redeem whatever they wish on 12/31 with 60 days' advance notice.

We recommend that these folks make their first redemption request with the next 5 years in mind and redeem 20% of their balance. They can then keep those retirement funds in cash or a low-cost index fund with daily liquidity (e.g., an S&P 500 index fund with their broker/custodian) and tap that annually for RMDs as needed. Then, each year, they can redeem an additional 3.5% - 7% to make sure that they have sufficient funds for RMDs at all times.

We need to receive the redemption request with 60 days' advance notice (i.e., by August 1<sup>st</sup>). Please nudge Kimberly Engleman at [ke@dhandhofunds.com](mailto:ke@dhandhofunds.com) if this is of interest and she will provide you with a redemption request form.

### **Chai With Pabrai Blog**

Please check out my blog [www.ChaiWithPabrai.com](http://www.ChaiWithPabrai.com) which I try to keep updated. With zero travel due to Covid, I have reduced my decline rate on speaking to students. I try to do 1-2 Zoom sessions with students every month. This is about the max. of what I am interested in doing. Here are some recent additions to the blog:

### **Q&A at Harvard Business School Investment Conference - April 2022**

I had a fun fireside chat at the HBS Investment Conference. The Investment Conference is one of the biggest conferences arranged by HBS students each year. It is attended by 400+ students across MBA programs who have a background or interest in the investment management industry. We talked about Ben Graham, micro vs macro investing and investment checklist.

[Q&A at Harvard Business School Investment Conference - April 2022 - Chai with Pabrai](#)



## **Q&A session with Doctors Investing Group - February 2022**

I very much enjoyed my Q&A session with Tom Dittrich for the Doctors Investing Group. I discussed value investing, diversified vs. concentrated portfolio and shameless cloning.

## **[Q&A session with Doctors Investing Group - February 2022 - Chai with Pabrai](#)**

### **Suggestion Box**

We are always interested in hearing how we can better serve you. Please feel free to email me any suggestions/feedback you may have at [mp@dhandhofunds.com](mailto:mp@dhandhofunds.com).

### **2022 Annual Meeting - Save the Date**

Covid-permitting, we are excited for the return of our in-person annual meeting in 2022! We intend to have two annual meetings held sequentially in 2022: an in-person meeting in Austin, Texas and a virtual meeting. These meetings will cover Pabrai Funds, Dhandho Holdings and Dhandho Funds.

The **In-Person Austin** meeting is scheduled to be held on **Saturday, September 10<sup>th</sup>, 2022** at 4:00 PM Central Time at:

#### **[St. Edwards University](#)**

John Brooks Williams Science Center South  
3001 South Congress, Austin, Texas 78704-6489

Tel: +1 512-448-8400

St. Edwards has a beautiful campus lined with 100-year-old Texas live oak trees and is only 10 minutes from downtown Austin. It is also a 10-minute drive from Austin-Bergstrom International Airport (AUS).

The Omni Barton Creek Resort & Spa is 20 minutes from St. Edwards and offers picturesque views of Texas Hill Country:

#### **[Omni Barton Creek Resort & Spa](#) (20-minute drive to St. Edwards)**

8212 Barton Club Dr, Austin, TX 78735  
Tel: +1512.329.4000

There are many hotels in downtown Austin that are 10 minutes from St. Edwards. Please note that the Longhorns are playing Nick Saban's Crimson Tide on Sept. 10 at home. Thus, most hotels near the UT Austin campus are quoting very high rates. If you book one 10 miles or so away from campus, the rate will be a lot better. We'll try to schedule future Austin annual meetings when the Longhorns are away.

Agenda for the Austin meeting:

4:00 - 4:30 PM: Meet and Greet  
4:30 - 6:30 PM: Presentation and Q&A

6:30 – 7:15 PM:       Cocktail Hour

The **Virtual** meeting is scheduled to be held via video conference on **Saturday, September 24th, 2022** at 2:00 PM Central Time. Confirmed guests will receive instructions via email on how to attend the virtual meeting.

Agenda for the virtual meeting:

2:00 – 4:00 PM Central Time:       Presentation and Q&A

The invites will go out electronically via email in July 2022. Look for it in your inbox! If you don't receive it, please contact [invite@pabraifunds.com](mailto:invite@pabraifunds.com). Your significant other and young kids are welcome to attend. As we are now a Registered Investment Advisor, the SEC requires that all guests must be "accredited investors," which includes your adult kids (22 years or older). The invitation is non-transferable. I look forward to seeing you in September.

The Dhandho Zero Fee Funds are open quarterly to new capital. The next opening is October 1, 2022. The minimum initial investment is \$1.5 million for the India Zero Fee US Fund, \$1 million for India Zero Fee Offshore Fund, \$300,000 for Junoon Zero Fee US and \$200,000 for Junoon Zero Fee Offshore.

Existing partners can add as little as \$25,000; for IRA investors the minimum is \$5,000. You can find the deposit slips for the India Funds [here](#) and for Junoon [here](#). If you are interested or would like more information, please nudge either Fahad Missmar at [fm@dhandhofunds.com](mailto:fm@dhandhofunds.com) or me at [mp@dhandhofunds.com](mailto:mp@dhandhofunds.com).

### **Assets Under Management**

There is \$74 and \$14 million in assets under management in the India Zero Fee Funds and Junoon respectively as of July 1, 2022

Thanks for your continued interest, referrals and support. Feel free to call me at +1512.999.7110 or email me at [mp@dhandhofunds.com](mailto:mp@dhandhofunds.com) with any queries or comments.

Warm regards,



Mohnish Pabrai

*Note: Various indices are included throughout this letter for reference. Reference to an index or benchmark does not imply that the strategy will achieve returns, experience volatility, or have other results similar to the index. As an example, the Dhandho Zero Fee Funds may invest in foreign securities, however the indices presented only include U.S. securities. Dhandho Funds uses the Vanguard 500 Index Admiral Fund (VFAX) with reinvested dividends to depict the S&P 500 returns. VFAX is an investable mutual fund product by Vanguard mimicking the S&P 500 Total Return Index with reinvested dividends.*

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## Appendix A

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

No. of Units	Date	NAV
1,830,217	10/01/2017	\$10.00
3,183,760	12/31/2017	\$10.11
5,334,464	12/31/2018	\$7.97
5,758,774	12/31/2019	\$7.63
5,589,506	12/31/2020	\$7.89
5,732,076	03/31/2021	\$8.42
5,732,076	06/30/2021	\$8.93
5,851,736	09/30/2021	\$10.45
5,669,254	12/31/2021	\$11.33
5,778,923	03/31/2022	\$9.81
5,811,511	06/30/2022	\$7.67

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

No. of Units	Date	NAV
780,489	10/01/2017	\$10.00
2,218,439	12/31/2017	\$10.05
3,747,823	12/31/2018	\$8.02
4,586,341	12/31/2019	\$7.66
3,642,747	12/31/2020	\$7.75
3,649,036	03/31/2021	\$8.27
3,846,110	06/30/2021	\$8.88
3,935,976	09/30/2021	\$10.56
3,558,914	12/31/2021	\$11.12
3,717,861	03/31/2022	\$9.60
3,849,702	06/30/2022	\$7.58

## Appendix B

### 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
582,360	12/31/2017	\$13.05
849,508	12/31/2018	\$10.94
853,033	12/31/2019	\$12.53
801,139	12/31/2020	\$14.42
829,456	03/31/2021	\$15.19
845,401	06/30/2021	\$16.17
643,301	09/30/2021	\$16.02
634,549	12/31/2021	\$16.57
636,526	03/31/2022	\$15.17
640,433	06/30/2022	\$12.80

### 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
638,352	12/31/2017	\$13.26
808,442	12/31/2018	\$11.11
724,336	12/31/2019	\$12.65
482,830	12/31/2020	\$14.08
464,443	03/31/2021	\$14.58
464,443	06/30/2021	\$15.62
464,443	09/30/2021	\$15.20
458,071	12/31/2021	\$15.69
458,071	03/31/2022	\$14.34
458,071	06/30/2022	\$12.25

## Appendix C

### Dhandho Holdings LP Performance History (Net to Investors)

No. of Units	Date	NAV	Cumulative Capital Returned	NAV + Capital Returned
11,216,447	03/31/2014	\$10.00	\$0.00	\$10.00
11,216,447	12/31/2014	\$9.93	\$0.00	\$9.93
11,216,447	12/31/2015	\$8.36	\$0.00	\$8.36
11,146,447	12/31/2016	\$8.73	\$0.00	\$8.73
11,145,609	12/31/2017	\$4.92	\$5.00	\$9.92
11,143,443	12/31/2018	\$4.12	\$5.00	\$9.12
11,122,506	12/31/2019	\$3.73	\$6.00	\$9.73
11,100,968	12/31/2020	\$2.64	\$7.50	\$10.14
11,100,968	03/31/2021	\$2.67	\$7.50	\$10.17
11,100,968	06/30/2021	\$2.67	\$7.50	\$10.17
11,100,968	09/30/2021	\$2.52	\$7.50	\$10.02
11,100,968	12/31/2021	\$2.68	\$7.50	\$10.18
11,100,968	03/31/2022	\$1.95	\$8.00	\$9.95
11,100,968	06/30/2022	\$1.78* <i>estimate</i>	\$8.00	\$9.78

### Dhandho Holdings Qualified Purchaser LP Performance History (Net to Investors)

No. of Units	Date	NAV	Cumulative Capital Returned	NAV + Capital Returned
3,621,240	03/31/2014	\$10.00	\$0.00	\$10.00
4,002,192	12/31/2014	\$9.93	\$0.00	\$9.93
4,072,192	12/31/2015	\$8.36	\$0.00	\$8.36
4,072,192	12/31/2016	\$8.73	\$0.00	\$8.73
4,072,192	12/31/2017	\$4.92	\$5.00	\$9.92
4,072,192	12/31/2018	\$4.11	\$5.00	\$9.11
4,071,304	12/31/2019	\$3.72	\$6.00	\$9.72
4,070,472	12/31/2020	\$2.59	\$7.50	\$10.09
4,070,472	03/31/2021	\$2.61	\$7.50	\$10.11
4,070,472	06/30/2021	\$2.56	\$7.50	\$10.06
4,070,472	09/30/2021	\$2.37	\$7.50	\$9.87
4,070,472	12/31/2021	\$2.54	\$7.50	\$10.04
4,070,472	03/31/2022	\$1.87	\$8.00	\$9.87
4,070,472	06/30/2022	\$1.72* <i>estimate</i>	\$8.00	\$9.72