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To: All Limited Partners & Investors of Dhandho Holdings and
Dhandho Zero Fee Funds
From: Mohnish Pabrai, Managing Partner
Date: January 18, 2023
Re: **Q4 2022 Results etc.**

Dear Partners:

Happy New Year! This is our usual quarterly update on the ongoing at Dhandho.

Dhandho Holdings

The estimated NAV at 12/31/22 was \$1.74 per unit for Dhandho Holdings LP and \$1.66 per unit for Dhandho Holdings Qualified Purchaser LP. DHLP is up 5.2% from its 9/30 final NAV of \$1.65 per unit, and DHQPLP is up 6.4% from its 9/30 final NAV of \$1.56 per unit. Our 12/31 estimates hold our interest in Tandem (52% of the NAV) at the latest valuation available to us, which is as of 9/30. The changes to Dhandho Holdings' value from quarter to quarter are typically driven by changes in the quoted prices of its concentrated portfolio of public stocks (40% of the NAV), which fluctuate daily. For the year ending 12/31/22, DHLP was down an estimated 16.3% and DHQPLP was down an estimated 15.2%, vs. the S&P 500 which was down 18.1%.

In 2022, we continued the journey to put the toothpaste back in the tube at Dhandho and return every dollar of the \$10 per unit that most of you invested in 2014. In early 2022, we returned \$0.50 per unit to all investors. A total of \$2.00 per unit, or 20%, remains. We hope to get this back to you in the next 2-3 years, but timing will depend on cash we get from Tandem, any fees we earn from the Dhandho Zero Fee Funds, and the value of our stocks. It has taken longer than I originally anticipated to get you your full \$10 per unit back, and I very much appreciate your continued support and patience.

The good news is that you are unlikely to have lost any of the initial principal that you put into Dhandho Holdings (no guarantees!). The stocks that we own are meaningfully undervalued. And management at Tandem express confidence that their fund distributions are likely to be higher than the current valuation. Once we get the final 20% back to you, you'll be left with your ownership of the Dhandho Funds business, which will continue to scale with virtually no additional capital. Across the Dhandho Zero Fee Funds in 2022, subscriptions cancelled out redemptions, so although no net capital was added, we were able to maintain our current scale in a turbulent year.

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) 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:

	S&P 500	India US (net to investors)
10/1/17 - 12/31/17	6.6%	1.1%
1/1/18 - 12/31/18	-4.5%	-21.2%
1/1/19 - 12/31/19	31.5%	-4.3%
1/1/20 - 12/31/20	18.3%	3.4%
1/1/21 - 12/31/21	28.7%	43.7%
1/1/22 - 12/31/22	-18.1%	-34.2%
Annualized	10.3%	-5.4%
Cumulative	67.0%	-25.5%

**Dhandho India Zero Fee Fund Offshore Ltd. (INOL - 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 - 12/31/18	-4.5%	-20.2%
1/1/19 - 12/31/19	31.5%	-4.5%
1/1/20 - 12/31/20	18.3%	1.2%
1/1/21 - 12/31/21	28.7%	43.4%
1/1/22 - 12/31/22	-18.1%	-35.4%
Annualized	10.3%	-6.1%
Cumulative	67.0%	-28.2%

Although the India Funds were up modestly in the quarter, 4.9% for INLP and 3.2% for INOL, vs. 7.5% for the S&P 500, they fell a whopping 34-35% in 2022, vs. the S&P 500 which fell 18.1%. This year's poor performance comes after 2021's banner year, when the funds rose 43-44%, vs. 28.7% for the S&P 500.

The India Funds' underperformance in 2022 can be pinned primarily on a sharp fall in the market value of its two largest positions, Indian Energy Exchange (IEX) and Micron, which fell 45 - 50% in the year. These two businesses drove much of the outperformance in 2021 and accounted for approx. 60% of the pie in both funds at the beginning of 2022. We did not put more than 10% at cost in either position, but the run-up in their values (and redemption-driven sales of lower conviction businesses) increased their weight considerably in the portfolios. We remain bullish on both IEX and Micron.

Update on Indian Energy Exchange (IEX):

IEX continues to be the India Funds' largest position, with an approx. 30% weight in each fund. We've owned the business since 2018. Even after its 45% fall in 2022, IEX has still given us an almost 2x return. I discussed IEX in various past letters and presentations: [2022 Annual Meeting Transcript](#) (Page 8 and 15), [January 2022 Letter to Partners](#) (page 4), [October 2021 Letter to Partners](#) (page 4), [2021 Annual Meeting Transcript](#) (Page 7), [2020 Annual Report](#) (page 6) and [2020 Annual Meeting Transcript](#) (page 6). Given IEX's size in the funds, I wanted to give more color on where it stands today and why we have no intention to sell a single share.

The negative price action in IEX in 2022 reflected Mr. Market's preoccupation with real but temporary headwinds that IEX faced in its flagship Day Ahead Market (DAM) product, which accounts for 80%+ of the electricity volume on its exchange. A once in a 100-year heat wave hit India in March/April 2022, which led to a surge in power demand that triggered a coal shortage (70% of India's power plants are coal-based). The squeeze

spiked coal prices, which forced generators to curtail power generation. This reduced the supply of power on IEX's exchange, which triggered the DAM spot price to temporarily jump above Rs. 10/kWh in May. Buyer enthusiasm cooled and volumes fell further. In this context, IEX's powerful network effects started to work in reverse.

The essence of IEX's value proposition is that it allows state power distribution companies (DISCOMs) to buy power at prices significantly lower than they can through existing power purchasing agreements with generators. The PPAs lock the DISCOMs in to paying Rs. 5-6/kWh. Historically, IEX's efficient price discovery brought that down to Rs. 2-3/kWh. At those levels, DISCOMs can ditch their PPAs for some or all of their load and pocket meaningful savings. This dynamic has been a key driver of the significant increase in IEX's share of power in the country, rising from less than 3% in 2016 to 7.7% today. At Rs. 10/kWh, however, tapping IEX makes no sense.

DAM spot prices on IEX have fallen since their peak in May 2022 and hovered at around Rs. 5/kWh in December. This is still higher than the long-term average, but trending in the right direction. DAM volumes are down 26% YTD in fiscal year '23 (12 months ending March 2023) due to the 2022 dislocation. As coal prices continue to moderate, prices on IEX should continue to fall, and volumes should recover. The Government of India strongly supports the trend away from PPAs and wants to eventually see 25% of India's electricity trading on exchanges in the next few years. No new thermal plant PPAs have been signed in the past 5 years. Exchanges are the future and with a 90% market share, IEX stands to win big.

Despite this year's headwinds in DAM, IEX's overall power volumes are virtually flat YTD in FY '23 because IEX's spawning engine is in overdrive. Its newest products, including the Real Time Market and Green Day Ahead Market, have led to a surge in new volumes that have made up for the temporary losses in DAM. IEX is a spawning machine that is just getting warmed up. Its 2-year-old Gas Exchange (IGX) is profitable, growing rapidly and now handling 4.5% of the gas consumed in India. A spin-off/IPO of IGX is planned for 2025.

IEX is also working to launch a Carbon Exchange and Coal Exchange. And it is iterating on ancillary products like derivatives, which will help buyers hedge volatility, further deepening activity on the exchange.

IEX will likely end its 2023 fiscal year with \$50 million in revenue and \$35 million in after tax profit. These numbers were \$35 million and \$24 million, respectively, in fiscal 2020. A growing monopoly with 70% net margins warrants a premium valuation. As its newer products take flight and scale, and more volumes get captured on the exchange, our owner earnings should increase substantially and IEX's value will rise accordingly.

Of all the hundreds of businesses I have met in India over the years, IEX is still the best. Every venture it goes into has monopoly dynamics and sky-high ROEs. It is run by a maverick. It is an active spawner. It competes on exceptional technology and service and wins with ease. Its balance sheet is clean. And it is buying back stock. It is an ideal vehicle to ride the many powerful waves in a rising India: rapid urbanization, rising power

consumption, expanding EV adoption, etc. We are very lucky to have acquired this gem at the price that we did, and it is one that I hope we are smart enough to not touch for decades.

Other Irons in the Fire:

The funds have other exceptional irons in the fire. We recently took advantage of market conditions and added a new compounder in India that should strengthen the compounding engine in the coming years. Here are the top 3 positions in each fund:

<u>Dhandho India Zero Fee Fund LP</u>	
Indian Energy Exchange (India)	30%
TAV Airports (Turkiye)	16%
Rain Industries (India)	13%
Top 3 positions	62%

<u>Dhandho India Zero Fee Fund Offshore Ltd</u>	
Indian Energy Exchange (India)	30%
Micron Technology (US)	12%
Edelweiss Financial (India)	12%
Top 3 positions	44%

Junoon Zero Fee Funds

The updated performance numbers of the funds are:

Dhandho Junoon LP (DJLP - 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 - 12/31/18	-4.5%	-16.2%
1/1/19 - 12/31/19	31.5%	14.6%
1/1/20 - 12/31/20	18.3%	15.1%
1/1/21 - 12/31/21	28.7%	14.9%
1/1/22 - 12/31/22	-18.1%	-21.1%
Annualized	11.7%	4.2%
Cumulative	105.6%	30.6%

Dhandho Junoon Offshore Limited (DJOL - 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 - 12/31/18	-4.5%	-16.2%
1/1/19 - 12/31/19	31.5%	13.9%
1/1/20 - 12/31/20	18.3%	11.3%
1/1/21 - 12/31/21	28.7%	11.5%
1/1/22 - 12/31/22	-18.1%	-19.0%
Annualized	11.7%	3.8%
Cumulative	105.6%	27.2%

The Junoon funds' performance in 2022 was generally in-line with the S&P 500. In Q4, DJLP was up 6.7% and DJOL up 8.2%, vs. the S&P 500 which was up 7.5%. For the year ending 12/31/22, DJLP was down 21.1% and DJOL was down 19.0%, vs. the S&P 500, which was down 18.1%. Since 10/1/20, when Junoon shifted its strategy to one that heavily biases non-action, DJLP is up 16.2% and DJOL is up 12.2%, vs. the S&P 500 which is up 18.1%.

This quarter, Twitter, which accounted for 1% of DJLP and 4% of DJOL, was acquired and the two funds received cash. Junoon's modus operandi is to reinvest proceeds of corporate actions like acquisitions into its "wallet" stock, which is currently Brookfield.

DJLP needed cash for redemptions, so it did nothing. DJOL did not have pending redemptions so it reinvested the Twitter proceeds into Brookfield. In early December, Brookfield spun off its asset management business, Brookfield Asset Management, and DJOL received those spun-off shares. As a result of the Twitter acquisition and the Brookfield spin-off, DJLP currently has 14 stocks and DJOL has 16. Junoon reassess its portfolio annually on April 1st and will do nothing until then.

Although the funds have 14-16 stocks, they are concentrated. The top 4 names account for 69% of DJLP and 56% of DJOL. The diversity across the 14-16 businesses helps temper short-term volatility, but the top 4 core holdings are likely to drive much of Junoon's value from here. The funds are positioned well for the years to come.

<u>Dhandho Junoon LP</u>	
Micron Technology (US)	22%
TAV Airports (Turkiye)	17%
Edelweiss Financial (India)	15%
Alphabet (US)	15%
Top 4 positions	69%

<u>Dhandho Junoon Offshore Ltd</u>	
Micron Technology (US)	16%
Edelweiss Financial (India)	15%
TAV Airports (Turkiye)	14%
Alphabet (US)	11%
Top 4 positions	56%

Redemptions and Subscriptions

December 31st was the annual redemption date. A total of \$4.9 million was redeemed from the various funds. The redemptions on a per fund basis are:

Dhandho India Zero Fee US Fund:	\$3.7 million
Dhandho India Zero Fee Offshore Fund:	\$0.7 million
Dhandho Junoon Zero Fee US Fund:	\$0.4 million
Total:	\$4.8 million

For the year ended December 31, 2022, a total of \$5.2 million was added to the various funds by new and existing partners. The additions on a per fund basis are:

Dhandho India Zero Fee Fund LP:	\$1.4 million
Dhandho India Zero Fee Offshore Fund:	\$3.6 million
Dhandho Junoon Zero Fee US Fund:	\$0.2 million
Total:	\$5.2 million

For the quarter ended December 31, 2022, a total of \$0.7 million was added to the various funds by new and existing partners. The additions on a per fund basis are:

Dhandho India Zero Fee Offshore Fund:	\$0.6 million
Dhandho Junoon Zero Fee US Fund:	\$0.1 million
Total:	\$0.7 million

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.

Alignment of Interests

My investment in Dhandho Holdings was worth about \$4.9 million at the 12/31/22 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 28% of Dhandho Holdings. It is important to note that Dhandho has never issued stock options or given units to management below fair value, etc.

Online Portal for Investment Statements

Your 12/31 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 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.

Final K-1's (for US Investors)

For Dhandho Junoon LP, Dhandho India Zero Fee Fund LP, Dhandho Holdings LP and Dhandho Holdings Qualified Purchaser LP investors, we expect your final K-1s to be uploaded to your portal in March 2023 by Liccar.

Annual Report - Will be out in Q2 2023

Our modus operandi now is to provide expansive commentary in the annual reports and the annual meetings. The quarterly letter will continue to provide updated performance numbers and announcements, but minimal commentary. The annual report is slated to be published in Q2 2023.

Chai With Pabrai Blog

Please check out my blog 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 Session with YPO Gold Nairobi in Kenya on October 11, 2022

I enjoyed my discussion with the members of YPO Gold at Nairobi, Kenya on compounding, especially with an example of the Manhattan deal by Native Americans. I talked about intrinsic value of stocks, my investments in Turkey, and other global opportunities.

[Q&A Session with YPO Gold Nairobi in Kenya on October 11, 2022](#)

Speaker Event with Helvetian Investment Club on November 29, 2022

I enjoyed my talk with the Helvetian Investment Club at St. Gallen University of Switzerland on the asymmetry mental model. I talked about different aspects of value investing, the power of truth and analyzing the portfolio to maximize returns.

[Speaker Event with Helvetian Investment Club on November 29, 2022](#)

2023 Annual Meeting

There will be two annual meetings held sequentially in 2023: 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 9th, 2023** 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).

There are many hotels in downtown Austin and cheaper options 10-15 miles out.

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 23rd, 2023** at 4:00 PM Central Time. Confirmed guests will receive instructions via email on how to attend the virtual meeting.

Agenda for the virtual meeting:

4:00 – 6:00 PM Central Time: Presentation and Q&A

The invites will go out electronically via email in July 2023. Look for it in your inbox! If you don't receive it, please contact invite@pabraifunds.com. Your significant other and young kids are welcome to attend. As we are 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.

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.

The Dhandho Zero Fee Funds are open quarterly to new capital. The next opening is April 1, 2023. 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 or me at mp@dhandhofunds.com.

Assets Under Management

There is \$67.7 and \$13.9 million in assets under management in the India Zero Fee Funds and Junoon respectively as of January 1, 2023

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

Warm regards,

A handwritten signature in black ink, appearing to read 'Mohnish Pabrai', with a long, sweeping horizontal stroke above the name.

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 (VFIAX) with reinvested dividends to depict the S&P 500 returns. VFIAX 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
5,669,254	12/31/2021	\$11.33
5,778,923	03/31/2022	\$9.81
5,811,511	06/30/2022	\$7.67
5,821,836	09/30/2022	\$7.10
5,321,301	12/31/2022	\$7.45

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
3,558,914	12/31/2021	\$11.12
3,717,861	03/31/2022	\$9.60
3,849,702	06/30/2022	\$7.58
3,914,408	09/30/2022	\$6.95
3,900,490	12/31/2022	\$7.18

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
634,549	12/31/2021	\$16.57
636,526	03/31/2022	\$15.17
640,433	06/30/2022	\$12.80
644,515	09/30/2022	\$12.25
617,725	12/31/2022	\$13.06

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
458,071	12/31/2021	\$15.69
458,071	03/31/2022	\$14.34
458,071	06/30/2022	\$12.25
458,071	09/30/2022	\$11.76
458,071	12/31/2022	\$12.72

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	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	\$1.72	\$8.00	\$9.72
11,100,968	09/30/2022	\$1.65	\$8.00	\$9.65
11,100,968	12/31/2022	\$1.74* <i>estimate</i>	\$8.00	\$9.74

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	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	\$1.65	\$8.00	\$9.65
4,070,472	09/30/2022	\$1.56	\$8.00	\$9.56
4,070,472	12/31/2022	\$1.66* <i>estimate</i>	\$8.00	\$9.66