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To: All Limited Partners & Investors of Dhandho Holdings & Zero Fee Funds
From: Mohnish Pabrai, Managing Partner
Date: October 18, 2023
Re: **Q3 2023 Letter to Partners**

Dear Partners:

Hope all is well. This is our usual brief quarterly update on Dhandho Holdings and the Dhandho Zero Fee Funds.

Dhandho Holdings

The estimated NAV at 9/30 was \$1.91 per unit for Dhandho Holdings LP and \$1.81 per unit for Dhandho Holdings Qualified Purchaser LP. DHLP is up 11.8% from its final 6/30 NAV of \$1.71 per unit, and DHQPLP is up 14.3% from its final 6/30 NAV of \$1.58 per unit. The 9/30 estimates hold our interest in Tandem (43% of the NAV) at the latest valuation available to us, which is as of 6/30. The remainder of the NAV is almost entirely in our public stock portfolio, which drove our NAV higher this quarter.

We're announcing two significant changes at Dhandho Funds this quarter:

1. On September 29th, Dhandho Funds launched a mutual fund. For more information, please visit its website: WagonsFund.com.
2. We have decided to wind down the Dhandho India Zero Fee Funds and the Junoon Zero Fee Funds on 12/31/2023. Both funds are likely to do well vs the S&P 500 over the long-run. But both also have rules and mandates that place shackles on our ability to allocate capital to my best ideas. I elaborated on this in each fund's section of this letter.

After 1/1/24, Dhandho Funds will have two lines of business: a mutual fund and separately managed accounts. Both are still embryonic. The mutual fund is 2 weeks old, and our SMA business only has 1 corporate client with less than \$5 million under management. If we are successful in scaling these two businesses, the value creation could be quite large in the coming years. Stay tuned!

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%
1/1/23 - 09/30/23	13.0%	22.5%
7/1/23 - 09/30/23	-3.3%	24.3%
Annualized	11.2%	-1.5%
Cumulative	88.8%	-8.7%

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%
1/1/23 - 09/30/23	13.0%	26.5%
7/1/23 - 09/30/23	-3.3%	23.1%
Annualized	11.2%	-1.6%
Cumulative	88.8%	-9.2%

The Dhandho India Zero Fee Funds launched in October 2017 and had a rocky start when the India Small Cap index lost half of its value in the first 2.5 years. The Funds have performed a lot better since April 2020. Between April 1, 2020 and September 30, 2023, INLP is up 92% and INOL up 87.5% (net to investors), vs. 75% for the S&P 500. The Funds are winding down on a positive note. In Q3 2023, the Funds were up 23-24% (net) vs. the S&P 500 which was down 3%. While we have made up most of the drawdown in Q3, the current NAV is still 8.7% below when we started. Since inception, the Funds have not charged any management or performance fees.

In hindsight, it was a mistake on my part to launch a fund with specific restrictions or mandates. The India Funds are required to have at least 2/3 of their assets invested in India. Virtually all of the good investment ideas I have had in the last few years have been outside India - and the Funds could not invest in them fully due to their mandate. While the India Funds are likely to do well versus the S&P 500, I am sure they will not do as well as other funds I manage that do not have these restrictions. India is a great growth story for decades. There will be incredible wealth creation in the years ahead. However, the country is also home to some of the best investors and analysts on the planet. It has been difficult to find great businesses that are not already at nosebleed valuations. It is important to be a go-anywhere investor and not be handcuffed. I prefer to have full flexibility to fish in the most desirable waters with no restrictions.

As a result, we have decided to wind down the India Funds on 12/31/2023. We will sell all securities and intend to return 99+% of your investment in January 2024. The rest will be sent a few months after we have paid off all service providers and received any tax refund from India. This is not how I thought the India Funds would turn out, but I believe it is in the best interest of investors. Please look out for more information from us by December.

Although you are free to do whatever you'd like with your returned capital, I want to offer a few options that I think will do quite well from here:

1. INLP US investors are invited to invest in Pabrai Investment Fund IV LP. The minimum initial investment for PIF4 is \$5 million but I am reducing this to 70% of the proceeds you get from the India fund. You can learn more about PIF4 here: [PIF4 Investor Deck](#) (to access, the id: **pabraifunds**, pw: **charlie**). With all the strong tailwinds in the PIF4 portfolio, I think we will make up the rest of the drawdown in the not-too-distant future. No guarantees though.

2. Non-IRA INOL investors are invited to invest in Pabrai Investment Fund 3 Ltd (PIF3). The minimum initial investment for PIF3 is \$6 million but I am reducing this to 70% of the proceeds you get from the India Fund. You can learn more about PIF3 here: [PIF3 Investor Deck](#) (to access, the id: **pabraifunds**, pw: **charlie**). PIF3 is at its limit for IRAs, so unfortunately cannot accept additional IRA deposits at this time.
3. On September 29th, Dhandho Funds launched a mutual fund. For more information, please visit its website: WagonsFund.com.

If you'd like more information, please nudge Fahad or me at fmissmar@dhandhofunds.com or mp@dhandhofunds.com. Thank you for your continued support and confidence.

Junoon Zero Fee Funds (DJLP and DJOL)

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%
1/1/23 - 09/30/23	13.0%	22.7%
7/1/23 - 09/30/23	-3.3%	9.3%
Annualized	12.3%	6.7%
Cumulative	132.4%	60.4%

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%
1/1/23 - 09/30/23	13.0%	20.6%
7/1/23 - 09/30/23	-3.3%	8.7%
Annualized	12.3%	6.1%
Cumulative	132.4%	53.4%

The Junoon Zero Fee Funds launched in July 2016 with a reimagined approach to index construction. In the first 4 years of their lives, the Junoon funds were controlled by their underlying algorithms that picked and sold businesses on auto-pilot without human interference. The algorithms were great at finding high-quality compounders, but sold them prematurely and the resulting performance was lackluster. On October 1, 2020, Junoon changed its approach and added a “human assist.” Since then, DJLP is up 43% and DJOL is up 35% (net to investors) thru 9/30/23, vs. 34% for the S&P 500. Junoon has had a good 2023 so far. Year to date, DJLP is up 23% and DJOL is up 21%, ahead of the S&P 500’s 13%. The NAVs on 9/30/23 are up 60% and 53% (net), respectively, over the initial NAV at inception 6.5 years ago.

Junoon’s index approach limits it from making changes to the portfolio outside of a single window in April of every year. While this discipline can help avoid disrupting the compounding engine, it also keeps Junoon from participating in ideas that come up outside of the window. This can be a serious handicap. Junoon is invested in some exceptional businesses and I am confident it can beat the S&P 500 over the long-run. But I am sure it will not do as well as the other funds that I manage that do not have these restrictions.

As a result, we have decided to wind down the Junoon Zero Fee Funds on 12/31/2023. We will sell all securities and intend to return 99+% of your investment in January 2024. The rest will be sent a few months after we have paid off all service providers and received any tax refund from India. This is not how I thought Junoon would turn out, but I believe it is in the best interest of investors. Please look out for more information from us by December.

Although you are free to do whatever you’d like with your returned capital, I want to offer a few options that I think will do quite well from here:

1. DJLP US investors are invited to invest in Pabrai Investment Fund IV LP. The minimum initial investment for PIF4 is \$5 million but I am reducing this to 70% of the proceeds you get from the DJLP. You can learn more about PIF4 here: [PIF4 Investor Deck](#) (to access, the id: **pabraifunds**, pw: **charlie**). No guarantees though.

2. Non-IRA DJOL investors are invited to invest in Pabrai Investment Fund 3 Ltd (PIF3). The minimum initial investment for PIF3 is \$6 million but I am reducing this to 70% of the proceeds you get from DJOL. You can learn more about PIF3 here: [PIF3 Investor Deck](#) (to access, the id: **pabraifunds**, pw: **charlie**). PIF3 is at its limit for IRAs, so unfortunately cannot accept additional IRA deposits at this time.
3. On September 29th, Dhandho Funds launched a mutual fund. For more information, please visit its website: [WagonsFund.com](#).

If you'd like more information, please nudge Fahad or me at fmissmar@dhandhofunds.com or mp@dhandhofunds.com. Thank you for your continued support and confidence.

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 or Junoon Zero Fee Funds.

Dhandho Funds 2023 Annual Meeting Presentation

We had two very successful annual meetings in September. One in-person meeting at St. Edwards University in Austin and a virtual meeting. It was a pleasure to meet old friends and partners and welcome new ones. I'm very grateful to Kimberly and Pauline for all their diligence in organizing the various facets of the meetings and dinners so flawlessly.

The Annual Meeting presentation slides are posted on our website (the password to access the video is "Munger"):

[Pabrai Funds/Dhandho 2023 Annual Meeting Presentation on Vimeo](#)

The transcript will be available under "Annual Reports & Meetings" in the [Media](#) tab of our website by the end of October.

Alignment of Interests

My investment in Dhandho Holdings was worth about \$5.3 million at the 9/30/23 estimated NAV and The Dakshana Foundation's interest is worth \$0.6 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 Investor Statements

For investors in the Dhandho Zero Fee Funds, your 9/30 investor statement have been uploaded to your investor portal. For Dhandho Holdings investors, your 12/31 investor statements are in your Liccar 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.

Estimated K-1's (for US Investors)

For INLP and DJLP investors, we provide estimated K-1's in early November and another in December if there are material changes to the first estimate. The first one gives the estimated gains through September 30th, and the second, if applicable, through November 30th. Your 9/30 estimate will be on your online portal by early November and the 11/30 estimate will be uploaded by late-December (if applicable), by our Administrator, Liccar. Your final K-1's will be issued in late March.

Annual Redemption Date Only for Retirement Account RMDs

RMD redemptions at September 30 on a per fund basis are:

Dhandho India Zero Fee Fund LP: \$34,238

Chai With Pabrai Blog

Please check out my blog www.ChaiWithPabrai.com which I try to keep updated. 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:

Interview with the Meb Faber Show on July 28, 2023

I very much enjoyed my interview with Meb for the Meb Faber Show. I talked about my introduction to Warren Buffett and playing Bridge, the importance of compounding and why it should be introduced in school and holding on to your highest conviction bet.

[Interview with the Meb Faber Show on July 28, 2023](#)

Q&A with members of the Finance and Investment Cell at SRCC, Delhi on June 14, 2023

I very much enjoyed my Q&A session with members of the Finance and Investment Cell at Shri Ram College of Commerce, Delhi. I talked about developing investing skills and focusing on micro factors more than macro in investing.

[Q&A with members of the Finance and Investment Cell at SRCC, Delhi on June 14, 2023](#)

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.

2024 Annual Meeting

As we did this year, we intend to have two annual meetings sequentially in September 2024: an in-person meeting in Austin, Texas and a virtual meeting. These meetings will cover Pabrai Funds, Dhandho Holdings and Dhandho Funds. We will provide dates for both events in future letters.

Assets Under Management

There is \$87 million and \$17 million in assets under management in the India Zero Fee Funds and Junoon respectively as of October 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,



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
5,321,301	12/31/2022	\$7.45
5,321,301	03/31/2023	\$6.92
5,321,301	06/30/2023	\$7.35
5,317,551	09/30/2023	\$9.13

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
3,900,490	12/31/2022	\$7.18
4,175,752	03/31/2023	\$6.77
4,222.332	06/30/2023	\$7.38
4,222,332	09/30/2023	\$9.08

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
617,725	12/31/2022	\$13.06
627,363	03/31/2023	\$13.43
630,811	06/30/2023	\$14.67
630,811	09/30/2023	\$16.04

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	12/31/2022	\$13.06
458,071	03/31/2023	\$13.12
458,071	06/30/2023	\$14.11
458,071	09/30/2023	\$15.34

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	12/31/2022	\$1.59	\$8.00	\$9.59
11,090,371	03/31/2023	\$1.54	\$8.00	\$9.54
11,089,877	06/30/2023	\$1.71	\$8.00	\$9.69
11,089,877	09/30/2023	\$1.91* <i>estimate</i>	\$8.00	\$9.91

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	12/31/2022	\$1.50	\$8.00	\$9.50
4,070,472	03/31/2023	\$1.50	\$8.00	\$9.50
4,070,472	06/30/2023	\$1.58	\$8.00	\$9.57
4,070,472	09/30/2023	\$1.81* <i>estimate</i>	\$8.00	\$9.81