

DHANDHO

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To: All Limited Partners and Investors in Dhandho Holdings
From: Mohnish Pabrai, Managing Partner
Date: June 9, 2016
Re: **Quarterly Update**

Dear Partners:

Hope all is well. Dhandho's Q1 2016 results are on the [Financials](#) tab of our website for your perusal. To access our website www.dhandho-holdings.com, the username is **dhandho** and the password is **wealth**. As stated earlier, I intend to provide detailed analysis, perspective and commentary (as well as answer your questions) in the annual report and at our annual meeting. These quarterly missives will get you numbers, but not much else.

Please do note that as we build new businesses like Dhandho Funds, their startup losses are fully reflected in these numbers with no value being ascribed to the underlying business. At some point, I expect these losses to abate and Dhandho Funds to become cash flow positive. Till then it will reflect negatively on the financials and book value.

Dhandho Holdings ended Q1 2016 with a book value per share of \$8.06.

Stonetrust Insurance ended the quarter in positive territory with \$204,000 in net income. We had unrealized losses on our public securities holdings of \$5.6 million as of March 31. I do believe that these losses will not only reverse in due course, but rather the portfolio is likely to have substantial gains over time. We own fractions of some wonderful businesses. My estimation of the underlying intrinsic value of these holdings substantially exceeds their market value.

The Dhandho Junoon ETF (NYSE Arca ticker: JUNE) has been live for 2 months now.

Dhandho Funds LLC, a subsidiary of Dhandho Holdings, will launch the Dhandho Junoon LP and Dhandho Junoon Offshore Ltd private funds (the “Zero Fee Funds”) on July 1, 2016. These funds charge no management fee, only a 25% performance fee above a 1.5% quarterly hurdle. For more information, please visit www.dhandhofunds.com. The username is **dhandho1220** and the password is **funds1212**.

Having been in the asset management business for seventeen years, I know first-hand what a wonderful business it can be. If we can scale up the ETF and private funds, it will be a very nice asset for the shareholders of Dhandho Holdings. And as long as we can deliver the bacon to investors in these funds, they will scale up. Stay tuned!

Lecture at University of California Irvine

On May 24, 2016, I gave a lecture at the University of California at Irvine Paul Merage School of Business entitled “Mental Models Used for the Coca-Cola Investment by Berkshire Hathaway.” The lecture is on YouTube and may be accessed here:

<https://www.youtube.com/watch?v=jfxOvdiac94&feature=youtu.be>

2015 Annual Report

The 2015 Annual Report is posted on our website and may be accessed here:

<http://dhandho-holdings.com/2015ar/>

A hard copy of the Annual Report is on its way to you.

2015 Annual Meeting Transcript

The 2015 Annual Meeting transcript and presentation slides are posted on our website. The transcript is best read in conjunction with the presentation slides (the password to the video is “Warren”):

Here are the links to the transcript and slides:

<http://dhandho-holdings.com/2015transcript/>

<https://vimeo.com/139966800>

2016 Annual Meetings – Save the Date

There will be our two annual meetings sequentially at Orange County, California & Chicago, Illinois. We are also adding a 3rd annual meeting at our Dhandho Holdings Corporation headquarters in Puerto Rico! The Puerto Rico meeting will be on September 24, 2016.

Prior to the California meeting on September 10, 2016 we will have the 3rd Annual Gran Fondo Dhandho Bike Ride which will start at 8:15 AM. 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, 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 the 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>

The **California** meeting is scheduled to be on **Saturday, September 10th, 2016** 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, Sept. 17th, 2016** 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.

The **Puerto Rico** meeting is scheduled to be on **Saturday, Sept. 24th, 2016** at 4:00PM at:

The Bankers' Club

Banco Popular Building

206 Tetuan Street, San Juan, PR 00902

The Bankers' Club is on the top floor of the historic Banco Popular building in Old San Juan. This is the same building where our Dhandho Holdings offices are located.

There is a fantastic hotel where we have secured a special rate of \$185/night. This rate comes with a complimentary continental breakfast and a 15% discount on meals in the main restaurant, Patio Negro. The hotel is a 5 minute walk from the Banco Popular Building. Please mention "Dhandho Holdings" to get this rate.

[Hotel El Convento:](#)

100 Cristo Street
Old San Juan, PR 00901
Reservations: +1787.723.9020

Agenda:

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

In lieu of dinner this year in California, we're gonna do an extended cocktail hour with expanded appetizers (multiple food stations) and lots of tables to sit and chat. We'll see how it goes and then decide on the format for future years. It may be more fun this way.

The invites will go out in July, 2016. Your significant other and kids of all ages are welcome to attend. I look forward to seeing you in September.

Thanks for your continued interest, referrals 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