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To: All Limited Partners and Investors in Dhandho Holdings
From: Mohnish Pabrai, Managing Partner
Date: January 5, 2018
Re: **Q4 2017 Update, Stonetrust deal closed; Distribution of \$5/unit and Opportunity for Full Exit**

Dear Partners:

Hope all is well. At 12/31/17, Dhandho's estimated tangible NAV per unit was \$10.53, up approximately 27.6% year to date and 5.3% since inception in 2014. The gains were driven primarily by the performance of our equities portfolios at Dhandho and Stonetrust.

Dhandho's unaudited tangible NAV at 9/30/17 was \$10.30 vs. our estimate of \$10.07.

Stonetrust Sale Completed

On 1/1/18, Dhandho Holdings closed on its sale of Stonetrust Commercial Insurance Company (Yaaaay!) to an entity controlled by Francis Chou. I am thrilled that the buyer was my good friend Francis. Stonetrust is in great hands under the able leadership Stonetrust's CEO Mike Dileo and Francis. Over the three year tenure that Dhandho owned Stonetrust, we nearly tripled its Surplus while tightening underwriting discipline and shrinking premiums versus taking on marginal accounts. The end result is that Stonetrust is in the strongest financial position it has ever been in since the business was founded more than two decades ago.

With 20/20 hindsight, it is now clear that the formation of Dhandho Holdings and purchase of Stonetrust were both mistakes made solely by yours truly. Anytime I make a business or investing mistake and end up not losing money, I am thrilled. So, while the results are lackluster virtually no one is likely to lose money as a result of having invested in Dhandho Holdings. Given the numerous setbacks we suffered at Dhandho over the last several years, I consider this outcome a home run. It is

indeed icing on the cake that we accomplished all this without laying off a single person at Stonetrust or having it gutted by merging it with another insurer. It is truly a win-win for everyone.

While the sale of Stonetrust is likely to be modestly profitable for Dhandho, it was done at a slight discount to its book value on 1/1/18, which was the closing date of the transaction. We won't know the final audited closing book value and thus the purchase price until at least May of this year, but it will likely be between \$68 and \$71 million. As part of the sale agreement, Dhandho has received \$40 million in cash and will receive the remainder of the purchase price in tranches at scheduled intervals between now and January 1, 2022. Of these payments, \$13 - \$16 million (depending on the final closing book value) are "holdback payments" that will be paid contingent on the absence of any adverse development on pre-closing claims at Stonetrust (i.e., those that we were responsible for).

The First Distribution - \$5/unit

We are now ready to issue the first distribution to Dhandho Holdings shareholders, which will represent 50% of the initial invested capital, or \$5.00 per unit. If you invested \$1,000,000, you will get \$500,000 back in cash now. Once this distribution is complete in Q1 2018, I hope to continue making distributions to you periodically over the next few years until you receive at least 100% of your initial invested capital back. I am hopeful that, within the next 15 months, we'll have returned 70+% of the capital you've invested and close to 100% in the next 30 months. If those timelines can be compressed, none will be happier than me.

We will endeavor to have all investor funds for this first distribution returned by mid-March or sooner. A member of the Dhandho team will reach out to you to get your wire instructions. Alternately, if you prefer, we can Fedex a check to you. I'd appreciate your being responsive to us when we nudge you for your wire instructions, so we can get funds to you promptly.

Staying Long Pabrai

While Dhandho Holdings was a mistake, Pabrai Funds was not and has done quite well over the last nearly nineteen years. With over \$850 million in assets under management, I closed all three Pabrai Funds to new investors and funds a while back.

As a courtesy to Dhandho investors, I plan to open up Pabrai Funds for new investors and funds *only on* April 1, 2018. I will also lower the minimum for Dhandho Investors to be \$250,000 for any funds that go into any of the Pabrai or Dhandho Funds. The typical minimum for both were/are \$1 million or higher. If you intend to use your distribution to invest in any of the below funds, we still need to wire you the cash first and then you can invest in the funds by completing the subscription documents for that fund.

You can invest none, part or all of your distribution into any of the following funds:

Pabrai Investment Fund 3 (Offshore/IRAs/Roth IRAs/Foundations/Endowments)
Pabrai Investment Fund 4 (US Qualified Fund)

Dhandho Junoon Fund LP (US Qualified Fund)

Dhandho Junoon Offshore Ltd. (Offshore/IRAs/Roth IRAs/Foundations/Endowments)

Dhandho India Fund LP (US Qualified Fund)

Dhandho India Offshore Ltd. (Offshore/IRAs/Roth IRAs/Foundations/Endowments)

You can also go to www.pabraifunds.com (login: pabraifunds; pw: warren) and/or www.dhandhofunds.com (login: dhandho; pw: zerofee) to learn more. Please nudge Betsy Harker (bharker@pabraifunds.com) if you are interested in getting more information on Pabrai Funds and Fahad Missmar (fm@dhandho-holdings.com) if you are interested in getting more information on the Dhandho Junoon or India Funds.

While the Dhandho funds open every quarter, Pabrai Funds is closed to new funds or investors. It will only open on 4/1/18 and after future Dhandho distributions.

What Will Remain at Dhandho?

With approx. \$76 million being returned to investors, Dhandho's remaining underlying assets will consist of \$54 million in liquid assets and \$34 - \$37 million of illiquid pieces that are expected to mostly become liquid at some point over the next 4 years. It is important to note that Dhandho Holdings owns the General Partner (GP) of Dhandho Funds. While this GP interest today has very little value, it is quite possible that this GP interest becomes quite valuable in the distant future.

The underlying assets consist of the following:

1. Approx. \$54 million of cash and marketable securities;
2. \$10 million investment (capital commitment) in a venture fund of which \$6.5 million has been called with a current fair value of \$5.7 million as per the last update on 9/30/17;
3. \$28 - \$31 million of anticipated future cash payments from the sale of Stonetrust (assuming no adverse development);
4. Ownership interest in the GP of the India Zero Fee Funds and the Junoon Zero Fee Funds.

Investors will likely have gotten back more than they invested in the next few years and then 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 investment partnerships.

Why is the GP Interest Possibly Quite Valuable in the Distant Future?

Being the sole General Partner (GP) of Pabrai Funds has given me a front row seat for 19 years on the compelling economics of owning the GP interest of a set of funds that has scaled and done well. Very few businesses on the planet have such favorable economics.

As I pen this missive, Dhandho Funds has over \$65 million in assets under management (AUM). Four months ago this was less than \$15 million and it would not surprise me if AUM exceeds a few hundred million in a few years. If Dhandho Funds has, for example, \$300 million in AUM in a few years and it does 15% a year before fees on that AUM, it would earn fees of about \$6.75 million annually. This is a business that has nearly zero capex. Our team size at \$15 million or \$300 million in AUM would be about the same. Even if a third or half this sum went to cover team and overheads, Dhandho GP stake holders would see decent dividends. If you invested \$1 million in Dhandho, you'll soon get the million back. And then in a few years, you'd be getting dividend checks that could be \$10,000 or \$20,000 or more per year. There may be some years with no dividend and others where it might be \$40,000 etc. It is a classic Dhandho proposition to own a stake in Dhandho Holdings long-term: *Heads, I win; Tails, I don't lose much!*

Opportunity to Exit Completely

Some folks have expressed an interest in exiting Dhandho completely now. I understand and am happy to accommodate to the extent that we can.

In Appendix B of this letter, I have outlined the individual pieces in detail that remain at Dhandho. Some pieces are liquid and their value is easily determinable. Others are illiquid and their ultimate value is uncertain at this time. In order accommodate investors that wish to exit, and those that wish to remain, as fairly as possible, we need to apply a haircut to the illiquid pieces whose value is hard to ascertain. A 50% haircut is applied to the Tandem Fund III investment value of \$5.7 million (which is the 9/30/17 value of the \$6.5 million that has already been called). A 10% haircut is applied to the value of the \$15 million still due from Francis Chou for the sale of Stonetrust. And a 50% haircut is applied to the present value of the future holdback payments from the Stonetrust sale due to potential adverse development.

The value of the remaining interest in Dhandho Holdings before the various haircuts is \$5.55. After the haircut, the value is \$4.94. If you would like to exit now, we will round up the sell price to \$5.00 and you can sell your interest at \$5.00, thereby getting 100% of your initial invested capital back for nearly all of you.

No value has been ascribed to the GP interest in Dhandho Funds in the \$5/unit as it is an embryonic entity with an uncertain future. However, as stated earlier, if the Junoon and India Funds perform well and scale, this GP interest could be quite valuable. In fact the main reason I am willing to use my personal assets to buy out other Dhandho investors who would like to exit is to increase my stake in the Dhandho Funds GP. When I give you \$5/unit for your Dhandho units, I know I am almost sure to get that back with perhaps some modest gains from the tangible assets. The risk is quite low. However, I am hoping I reap far bigger rewards over the coming decades from the GP interest. *If I were you, I would not sell any of my Dhandho units.* However, if you'd rather sell and move on, I am happy to buy your units as I have provided you all the information I'd want if our positions were reversed.

The Pabrai Family had invested \$9 million in Dhandho and will be receiving \$4.5 million in distributions. I am very willing to purchase well beyond \$4.5 million of interests in Dhandho

Holdings at \$5.00. There are other investors that would like to do so as well. Hopefully, we can accommodate all who wish to exit.

Please email Dhandho's CFO, Fahad Missmar at fm@dhandho-holdings.com if you would like to exit completely as soon as possible and **no later than January 31, 2018**. We will process requests on a smallest investor first basis. That way we can service the greatest number of investors as well as reduce the number from 130 currently to a lower number. I cannot guarantee that we will have enough buyers to process all requests to sell, but we'll try. If you are interested in purchasing Dhandho units, please let Fahad know as well. If there are enough sellers, we'll nudge you.

Dhandho's NAV with Intangibles

At the beginning of this letter, I changed our NAV reporting from an NAV that included intangibles to one that is just tangible book value. I did this because we effectively lost all the intangible goodwill at Stonetrust when we sold Stonetrust at a discount to tangible book versus a purchase at a premium to book. Dhandho was carrying approx. \$6.9 million of intangible assets on its books as a result of its acquisition of Stonetrust.

The good news is that when the dust settles we'll have likely sold Stonetrust at a gain - mainly because we increased tangible book value by a lot more than the goodwill we lost.

If you include the intangibles, Dhandho's **estimated** NAV per unit would be \$11.14 at 12/31/2017.

Dhandho's final unaudited NAV with intangibles at 9/30/17 was \$10.76 vs. our estimate of \$10.69.

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>.

Interview with Bloomberg Quint

On December 28, 2017, I was interviewed by Bloomberg Quint for its Alpha Moguls program. Here is the link:

<http://www.chaiwithpabrai.com/blog/interview-with-bloomberg-quint-on-investing-in-india>

Interview with MOI Global

On December 19, 2017, I was interviewed by MOI Global on philanthropy and the Dakshana Foundation. Here is the link:

<http://www.chaiwithpabrai.com/blog/interview-with-moi-global-on-philanthropy>

Lecture to Boston College

On November 30, 2017, I gave my 7th annual lecture to the value investing class at the Carroll School of Management at Boston College. Here is the link:

<http://www.chaiwithpabrai.com/blog/my-7th-annual-talk-at-boston-college>

Interview with ET Now

I celebrated Diwali this year with the viewers of ET Now discussing compounding and a few investment ideas in India. Here is the link:

<http://www.chaiwithpabrai.com/blog/et-now-interview-on-compounding>

Forbes Articles

In November, 2017, I co-authored an article in Forbes on the merits of investing in Spinoffs. Here is the link:

<http://www.chaiwithpabrai.com/blog/spin-gold-from-spinoffs-a-portfolio-of-5-castoffs-trounces-the-sp-500>

In December, 2017, I co-authored an article in Forbes about the “Free Lunch” Portfolio, which combines the power of Uber Cannibals, Shameless Cloning and Spinoffs. Here is the link:

<http://www.chaiwithpabrai.com/blog/the-free-lunch-portfolio>

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 stroke extending to the right.

Mohnish Pabrai

Appendix A

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	\$10.76
15,218,196	12/31/2017	\$11.14* <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.

Appendix B

Detailed Breakdown of What Remains at Dhandho:

Below, you will find a detailed breakdown of the underlying assets that remain at Dhandho.

The haircuts that were described in the letter are detailed in this table:

Underlying Assets	Value	Value/Unit	Haircut	Post Haircut Value	Post Haircut Value/Unit
Cash & Marketable Securities (approx.)	\$ 54,000,000	\$ 3.55	0%	\$ 54,000,000	\$ 3.55
Tandem Fund III Investment	\$ 5,700,000	\$ 0.37	50%	\$ 2,850,000	\$ 0.19
Stonetrust Sale \$15 Million Due	\$ 15,000,000	\$ 0.99	10%	\$ 13,500,000	\$ 0.89
Stonetrust Sale Max. Holdback Payments	\$ 9,754,798	\$ 0.64	50%	\$ 4,877,399	\$ 0.32
Dhandho Funds	\$ -	\$ -	-	\$ -	\$ -
Grand Total	\$ 84,454,798	\$ 5.55		\$ 75,227,399	\$ 4.94

Units 15,218,196

Public Securities Portfolio:

Dhandho's public securities portfolio is concentrated in a handful of stocks of some of my highest conviction picks. They all happen to be non-U.S. stocks, including a few names in India. I still think these companies are trading well below intrinsic value and if we hold them for a few more years we have a decent chance of distributing well over the \$5 per unit that remains of your initial investment in Dhandho. I will be selling these stocks for future distributions. I will also be drawing on these stocks so that Dhandho can make its remaining \$3.5 million capital call to Tandem, and keep a small amount of operating cash to pay our team and keep the lights on.

Tandem Fund III Investment:

In January 2015, Dhandho Holdings committed \$10 million to Tandem Fund III, a venture fund managed by [Tandem Capital](#) in San Francisco. While the fund was launched primarily to focus on early stage start-ups, it shifted strategy in early 2016 to invest in later stage companies looking to raise between \$1.5 and \$4 million.

Tandem III has \$50 million in total commitments and has called 65% of its capital so far. Dhandho is the second largest single investor in Tandem III. According to the latest valuation statement that Dhandho has received, Dhandho's \$6.5 million investment is valued at \$5.7 million as of 9/30/17.

Tandem takes a highly involved approach in supporting its companies. The Tandem team is led by Sunil Bhargava and Doug Renert who have deep experience in start-up building. We are invested in the third fund that Tandem has launched since 2007. Tandem's most recent quarterly letter and Schedule of Portfolio Investments are posted at <http://dhandho-holdings.com/tandemq32017/> (to access, the id: dhandho and the pw: wealth).

The Net Asset Value of a venture capital fund is updated periodically as the fund’s portfolio companies are revalued when they raise capital, are acquired, or IPO. As liquidity events take place, the fund is able to push out capital through distributions. Tandem’s prior two funds – Tandem I (2007 – present) and Tandem II (2011 – present) - have had decent performance and distributions so far:

1. Tandem I began issuing distributions in its 4th year and returned 150% of its investors’ paid-in capital by year 5 and another 25% the following year. Tandem I’s current value (NAV + distributions) is around 1.75x of paid-in capital and is wrapping up.
2. Tandem II began making distributions at the 2.5 year mark and distributed 100% of investors’ paid-in capital by year 4. The current value of the fund (NAV + distributions) is hovering at 1.5x of paid-in capital.

Tandem III is now 3 years old and the value of the fund is at about 88% of paid-in capital as of 9/30/17. No distributions have been issued.

Future Cash Payments from the sale of Stonetrust:

Dhandho sold Stonetrust at a slight discount to its book value on January 1, 2018 (the closing date). We can estimate now that the sale price will likely be between \$68 and \$71 million. As part of the sale, Dhandho receives \$40 million at closing, \$15 million within 135 days of closing, and the remainder paid out in “holdback payments” over the course of four years as a warranty for future adverse development that may take place in the reserves allocated to claims existing prior to closing. If payments are not made when due, interest begins to accrue at Libor + 5%.

Assuming no adverse development, the holdback payments over the four years are paid \$2 million per year on the first three anniversary dates, and then \$2 million plus the additional amount due to Dhandho on the fourth anniversary date. An independent actuarial analysis is conducted annually to determine if adverse development exists. If it does, the amount of the adverse development is deducted from that year’s holdback payment and from future holdback payments, if required. If favorable development in reserves on pre-closing claims occurs, it is used as a favorable credit against future adverse development.

Assuming a scenario in which the closing price is at \$68 million and that all \$13 million (\$68 - \$40 - \$15) will be paid out to Dhandho, and a 10% discount rate, the present value of the future cash flows is \$9,754,798.

Payment Dates	1/1/2019	1/1/2020	1/1/2021	1/1/2022
Holdback Payments \$	2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 7,000,000
Discount Rate	10%			
PV of Future Cash	\$ 9,754,798			

Dhandho Funds

Dhandho Funds (the “GP”) serves as the general partner to two private funds: the Junoon Zero Fee Funds and the India Zero Fee Funds. The private funds’ fee structure is identical to that of Pabrai Funds. The GP does not earn a flat management fee. Just performance fees, which are 1/4th over 6% with high water marks. If investors don’t make at least 6% a year, the GP does not get paid. Interests are 100% aligned.

When a performance fee is due by either the Junoon or India Fund, the first \$1 million (across both funds) in a single calendar year will go to the GP. Then the remainder above \$1 million will be allocated 40% to the GP’s team, including me, and 60% to the GP.

The Junoon Zero Fee Funds is a multi-strategy U.S. fund that invests in a portfolio of 22 stocks across three types of securities: (1) Cannibals, or companies that spinning cash and buying back stock, (2) Spin-offs, or companies that recently spun off from their parents, and (3) Cloned Ideas, or the highest conviction picks of 5 select value managers. Junoon leverages algorithms that were developed by a team of quantitative analysts from UCLA’s masters of financial engineering program and IIT (and me) to screen thousands of stocks to come up with its 22 picks across the three buckets. Junoon was developed as an alternative to the S&P 500 and we believe that anyone who has an allocation to an index is better off moving it to Junoon. In our rigorous 16-year backtests, Junoon delivers 14.7% annualized, after fees, trouncing the S&P 500’s annualized performance of 4.1% per year.

Junoon was launched on July 1, 2016 and presently has \$16 million in assets under management. The GP collected a fee in Q3 2017 of \$101,084. Junoon has a U.S. fund for U.S. taxable investors and an offshore fund for non-U.S. investors and U.S. non-taxable entities (i.e., foundations, endowments, and IRAs). The funds are open to U.S. Accredited Qualified Purchasers (net worth over \$1 million with gross investments over \$5 million) and non-U.S. investors who are Qualified Clients (net worth over \$2.1 million). The minimum initial investment is \$1 million. Existing partners can add as little as \$25,000. The funds are open quarterly to new capital. Here is Junoon’s performance to date:

Dhandho Junoon LP (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 - 9/30/17	14.2%	11.7%
7/1/17 - 9/30/17	4.5%	10.1%
Annualized	18.1%	20.4%
Cumulative	23.1%	26.1%

Dhandho Junoon Offshore Limited (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 - 9/30/17	14.2%	14.1%

7/1/17 - 9/30/17	4.5%	12.5%
Annualized	18.1%	22.2%
Cumulative	23.1%	28.5%

On October 1, 2017, the GP launched the Dhandho India Zero Fee Funds, a private fund focused on investing in publicly traded companies in India. I manage the funds and they invest at least 2/3 of assets in publicly traded companies in India. The strategy is very similar to Pabrai Funds, but with an explicit India focus. With India's 7%+ annual growth and large number of under-followed public companies, we believe the funds have a bright future. Presently the India Zero Fee Funds has \$53 million in assets under management.

The India Fund has a U.S. fund for U.S. taxable investors and an offshore fund for non-U.S. investors and U.S. non-taxable entities (i.e., foundations, endowments, and IRAs). The U.S. fund is open to Accredited Qualified Purchasers (net worth over \$1 million with gross investments over \$5 million) and Offshore fund to Qualified Clients (net worth over \$2.1 million). The minimum initial investment is \$1 million.

Past performance is not indicative of future results. Returns are presented net of all fees and expenses, include the reinvestment of income and are calculated using a simple rate of return. The securities discussed do not represent all securities recommended for the Funds. It is also not a recommendation to buy or sell and one should not presume they will be profitable.

Please be aware that our past newsletters may discuss specific securities that have performed well without necessarily addressing those that have underperformed within our Fund(s). Readers should not infer that all investment decisions within the Funds were profitable.