

2023  
ANNUAL REPORT

DHANDHO



# 2023 Annual Report

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Dear Partner:

With the closure of the Dhandho Zero Fee Funds, Dhandho is now transitioning to a simpler annual report that will cover only Dhandho Holdings. The primary purpose of the annual report will be to present the annual audited financial statements of Dhandho Holdings LP and Dhandho Holdings Qualified Purchaser LP. This year's report also includes the April 2024 Dhandho letter to partners, which provides more color on the current portfolio and operations at Dhandho Holdings (page 4).

### **2024 Annual Meeting Transcript and Presentation**

The Annual Meeting presentation slides and transcript from the two 2024 Annual Meetings held in April 2024 are posted on our website. Here is the link to the transcript:

#### **[2024 Annual Meeting Transcript](#)**

The transcript is best read in conjunction with the presentation slides (the password to the video is "Munger"):

**<https://vimeo.com/868066518>**

### **An Exceptional Team**

Fahad, Jaya, Kimberly, Anu, Megha, Anuradha and Pauline are simply a delight to work with. I have nothing but praise for the crew at Liccar, and Mike Froy at Dentons. Along with our offshore legal advisors Conyers, Dill and Pearman, our auditor, the Cayman PwC team under Ryan Buchanan are all a pleasure to work with. Ajay Desai and his group at UBS is our primary broker and custodian, and they are also very much a part of our team. Also part of our team is Kotak Mahindra, our custodian and broker for the India stock portfolio, CLSA and ICICI as our other brokers for India securities, and AkBank's Ak Investment, our broker in Turkiye. I am blessed to be able to work with these exceptional groups in Austin, Chicago, BVI, Cayman Islands, India and Turkiye. It makes my job a pure joy.

### **2025 Annual Meeting**

As we did this year, we intend to have two annual meetings sequentially in March/April 2025: 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.

Thanks for your continued interest, referrals and support. Feel free to call me at +1.512.999.7110 or email me at [mpabrai@dhandhofunds.com](mailto:mpabrai@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 letters.

**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.*

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# DHANDHO

**4407 Bee Cave Road, Suite 513  
West Lake Hills, Texas 78746-6496  
USA**

**Tel: +1.512.999.7110  
mp@dhandhofunds.com**

**To: All Limited Partners & Investors of Dhandho Holdings**  
**From: Mohnish Pabrai, Managing Partner**  
**Date: April 17, 2024**  
**Re: Q1 2024 Letter to Partners**

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Dear Partners:

Hope all is well. The estimated NAV at 3/31 was \$2.06 per unit for Dhandho Holdings LP and \$1.95 per unit for Dhandho Holdings Qualified Purchaser LP. DHLP is flat from its final audited 12/31 NAV of \$2.06 per unit, and DHQPLP is up 4.0% from its final audited 12/31 NAV of \$1.88 per unit. The 3/31 estimates hold our interest in Tandem (38% of the NAV) at the latest valuation available to us, which is the audited value at 12/31. The remainder of the NAV is almost entirely in our public stock portfolio, which drives the quarterly fluctuations.

Dhandho Holdings launched in 2014 at an initial NAV of \$10.00 per unit, and so far, we have returned \$8.00 per unit in cash to all investors. The final 20% of initial capital consists of \$31 million spread across three buckets:

1. Dhandho Funds (8% of the pie)
2. Stock portfolio (54%)
3. Tandem Fund (38%)

*Dhandho Funds and the Pabrai Wagons Fund:*

Although it presently accounts for the smallest portion of our NAV, Dhandho Funds has the potential to be a significant source of value to Dhandho Holdings shareholders in the coming years. The Dhandho Funds' advisory business earns fees from the Pabrai Wagons Fund, a mutual fund we launched on September 29, 2023. I am restricted from discussing

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a retail vehicle like the Pabrai Wagons Fund in a way that may be construed as marketing it, which is why I refrained from doing so in prior letters that were also sent to the Zero Fee Fund investors. However, this letter is only going to Dhandho Holdings investors, i.e., owners of the Wagons Fund's advisor, so I can provide you with a confidential, operational update here.

The Wagons Fund is just six months old. Our chief priority since launch has been to deploy capital into our highest conviction global bets. Mutual funds have some diversification requirements, but we are allowed to hold concentrated positions and invest virtually anywhere in the world. We are very pleased with the businesses that we've acquired in the Fund over the past two quarters. They include 23 bets in Türkiye, the US, Europe, Canada and Asia.

From inception on 9/29/23 through 4/16/24, the Fund is up approx. 15.73%, vs. 18.78% for the S&P 500. The index's performance is way above its long-term average. Much of this outperformance has been driven by the so-called "Fab Four" (NVIDIA, Meta, Microsoft, and Amazon), which make up approx. 19% of the S&P 500 today. The index's future performance is now highly dependent on them. At a weighted P/E of 53, the Fab Four appear to be fully priced, or overpriced. By contrast, the Wagons Fund is invested in a collection of very undervalued businesses, many of which have long runways to compound. We love how the Wagons Fund is positioned from here and believe its prospects to beat the S&P 500 are very bright. The Fund is up approx. 7.34% year-to-date through 4/16, vs. 6.34% for the S&P 500.

Our second priority since launch has been to make the Wagons Fund available to as many retail brokerages as possible. Most platforms have steep eligibility requirements for start-up funds, so our initial set has been limited. Today, the Fund is available on Vanguard, Interactive Brokers and Pershing. Investors can also buy the Fund directly through its transfer agent, US Bank. So far, most of our assets (80%) have come through Vanguard. We've received a lot of interest in investing via Schwab and Fidelity, but each of these platforms requires a fund to have a 12-month track record before being added. We believe the Fund's addition to these platforms (when we are eligible) will further catalyze asset inflows.

Despite the Fund's limited track record and availability, and minimal marketing efforts, we have received a lot of inbound interest, which has translated into meaningful net inflows. Assets continue to flow in daily and I am encouraged by the pace and cadence of the increases.

Here's how the Wagons Fund AUM has grown since inception:

| <b>Pabrai Wagons Fund</b> |              |
|---------------------------|--------------|
| <b>Date</b>               | <b>AUM</b>   |
| 10/1/2023                 | \$100,000    |
| 11/1/2023                 | \$530,583    |
| 12/1/2023                 | \$1,580,331  |
| 1/1/2024                  | \$2,753,025  |
| 2/1/2024                  | \$5,894,194  |
| 3/1/2024                  | \$9,516,169  |
| 4/1/2024                  | \$16,887,456 |
| 4/16/2024                 | \$18,446,814 |

Wagons Fund investors are charged an all-in net expense ratio of 1.25% for the Retail Class and 1.00% for the Institutional Class (which has a \$250,000 initial account minimum). This expense ratio includes a 0.90% management fee that Dhandho Funds collects. Although I generally prefer the 0/6/25 fee structure of private funds, mutual funds are not allowed to charge typical performance fees. Despite this, I am very comfortable with our current fee structure and believe it is a win-win for everyone.

US mutual funds are highly regulated. This regulation comes with significant fixed and variable compliance costs. Given these costs, Dhandho Funds will not be comfortably profitable until the AUM of the Wagons Fund is above \$150 million. If the Wagons Fund gets to \$1 billion, the Dhandho Funds business could be cash flowing \$5 million/year. This could give it a value of \$100 million, or over 3x Dhandho Holdings' current NAV. The vehicle is growing, but it still has a long way to go. If the Wagons Fund meaningfully beats the indices after fees, it will scale. Stay tuned.

*Stock Portfolio and Next Distribution:*

Dhandho Holdings itself owns a concentrated portfolio of securities that accounts for approx. half of the NAV today. This portfolio includes high conviction bets like TAV Airports and Anadolu Efes in Türkiye, and Alpha Metallurgical Resources in the US. I am very bullish on DH's portfolio, and I believe it is worth multiples of its current value. Our liquid portfolio is important as it allows DH to fund the operational needs of Dhandho Funds' growing mutual fund business. As the mutual fund scales and starts to earn fees, however, we will strategically sell down portions of the stock portfolio that are closer to fair value and return cash to you.

We intend to make a distribution of \$0.30 - \$0.40 per unit to all investors in June 2024. We will fund this distribution primarily through selective sales in our securities portfolio. With this distribution, the total cash returned to investors will be close to 85% of the initial capital invested in 2014. My focus is to return 100% of the initial capital to you in the shortest amount of time possible, without destroying future value. It has taken much longer than I initially expected to do so. With the new mutual fund and some tailwinds in our stock portfolio, I believe we can get there in the next few years.

### *Tandem Fund:*

Approx. 40% of Dhandho Holdings' NAV is held within an illiquid venture capital fund called Tandem Fund III LP. Investing in Tandem was a mistake. Although we are likely to get our money back eventually, the opportunity cost and time value of money of locking up \$10 million over the last 10 years exposes the real loss on Tandem. We do not have any visibility into when Tandem will be able to return capital to us. The timing depends on when Tandem's bets experience liquidity events, like IPOs. The best data that we have today is that it may still be a couple of years before we see meaningful distributions come our way.

### *Mechanism to Exit:*

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.

### **Alignment of Interests**

My investment in Dhandho Holdings was worth about \$5.8 million at the 3/31/24 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.

### **We have moved!**

In January 2024, Dalal Street closed on the purchase of an office condo about 1.5 miles from our existing office in West Lake Hills in Austin, Texas. We have moved our location to that address permanently. Given that we now own our office, we hope to never move again. Please update your address books to our new address:

**4407 Bee Cave Road  
Suite 513  
West Lake Hills, Texas 78746-6496**

### **Update to Firm Brochure, Brochure Supplement, and Privacy Notice**

We have completed the annual update of Part 2A of our Form ADV (i.e., our Firm Brochure), Part 2B of our Form ADV (i.e., our Brochure Supplement), and our Privacy Notice. The latest versions of these documents can be found in the legal tab of our website: [Legal](#).

### **Online Portal for Investor Statements and Audited Financials**

Your 12/31 investor statements and the latest audited financial statements are in your Licar 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.

### **Final K-1's (for US Investors)**

Your final K-1s were uploaded to the portal mid-March. If you (or your accountant) need assistance downloading the K-1, please nudge Kimberly Engleman at [ke@dhandhofunds.com](mailto:ke@dhandhofunds.com).

### **Annual Report - Will be out in Q2 2024**

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 2024.

### **Chai With Pabrai Blog**

Please check out my blog [www.ChaiWithPabrai.com](http://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:

### **Session with Columbia Business School on February 14, 2024**

I very much enjoyed my session with the students of Columbia Business School. I talked about Berkshire Hathaway's investment decisions, car dealerships, and the coal business.

### **[Session with Columbia Business School on February 14, 2024](#)**

### **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).

### **2024 Annual Meeting**

There will be two annual meetings held sequentially in 2024: an in-person meeting in Austin, Texas and a virtual meeting. These meetings will cover Pabrai Funds, Dhandho Holdings and Dhandho Funds. We have moved the meetings from September to April.

The In-Person Austin meeting is scheduled to be held on **Saturday April 20<sup>th</sup>, 2024** 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 April 27<sup>th</sup>, 2024** at 1:00 PM US Central Time. Confirmed guests will receive instructions via email on how to attend the virtual meeting.

Agenda for the virtual meeting:

1:00 – 3:00 PM US Central Time: Presentation and Q&A

The invites went out electronically via email in February 2023. If you didn't receive it, please contact [invite@pabraifunds.com](mailto:invite@pabraifunds.com). I look forward to seeing you soon.

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.*

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## Appendix A

### 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                 |
| 11,089,632   | 09/30/2023 | \$2.01           | \$8.00                      | \$10.01                |
| 11,089,632   | 12/31/2023 | \$2.06           | \$8.00                      | \$10.06                |
| 110,89,632   | 03/31/2024 | \$2.06* estimate | \$8.00                      | \$10.06                |

### 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 | \$1.90           | \$8.00                      | \$9.90                 |
| 4,070,472    | 12/31/2023 | \$1.88           | \$8.00                      | \$9.88                 |
| 4,070,472    | 03/31/2024 | \$1.95* estimate | \$8.00                      | \$9.95                 |

**Dhandho Holdings, L.P.**

***REPORT OF INDEPENDENT AUDITORS  
AND  
AUDITED FINANCIAL STATEMENTS***

December 31, 2023

**Dhandho Holdings, L.P.**  
**Index**  
**December 31, 2023**

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## Report of independent auditors

### To the General Partner of Dhandho Holdings, L.P.

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#### Opinion

We have audited the accompanying financial statements of Dhandho Holdings, L.P. (the "Partnership"), which comprise the statement of assets, liabilities and partners' capital, including the condensed schedule of investments, as of December 31, 2023, and the related statements of operations, of changes in partners' capital, and of cash flows for the year then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2023, and the results of its operations, changes in its partners' capital, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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#### Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

---

#### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for one year after the date the financial statements are available to be issued.



## Report of independent auditors (continued)

To the General Partner of Dhandho Holdings, L.P.

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### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

March 27, 2024

**Dhandho Holdings, L.P.**  
**Statement of Assets, Liabilities and Partners' Capital**  
**December 31, 2023**  
*(expressed in United States dollars)*

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|  | <u>2023</u>          |
|--|----------------------|
| <b>ASSETS</b>  |                      |
| Cash   | \$ 31,280            |
| Investments, at fair value (cost \$16,540,171)         | 23,004,131           |
| Prepaid expenses                                       | 508                  |
| Due from affiliates                                    | 2,108                |
| Total assets   | <u>\$ 23,038,027</u> |
| <b>LIABILITIES AND PARTNERS' CAPITAL</b>               |                      |
| Accrued operating expenses                             | 84,190               |
| Due to broker  | 71,469               |
| Total liabilities                                      | <u>155,659</u>       |
| Partners' capital                                      |                      |
| General partner  | -                    |
| Limited partners (11,086,248 units at \$2.06 per unit) | 22,882,368           |
| Total partners' capital                                | <u>22,882,368</u>    |
| Total liabilities and partners' capital                | <u>\$ 23,038,027</u> |

The accompanying notes are an integral part of these financial statements.

**Dhandho Holdings, L.P.**  
**Statement of Operations**  
**Year ended December 31, 2023**  
*(expressed in United States dollars)*

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|   | <u>2023</u>         |
|---|---------------------|
| <b>Investment Income:</b>                                   |                     |
| Dividends (net of withholding tax of \$13,155)              | \$ 80,311           |
| Interest income   | <u>1,339</u>        |
| Total Investment Income                                     | <u>81,650</u>       |
| <b>Expense:</b>   |                     |
| Interest expense  | 15,541              |
| Professional fees   | 29,819              |
| Management fees   | 124,508             |
| Administration fees   | <u>30,000</u>       |
| Total expenses  | <u>199,868</u>      |
| <b>Net Investment loss</b>                                  | <b>(118,218)</b>    |
| <b>Net realized and unrealized gain on investments</b>      |                     |
| Net realized gain from investments                          | 1,803,904           |
| Net realized loss on foreign currency transactions          | (3,240)             |
| Net change in unrealized appreciation on investments        | <u>3,573,764</u>    |
| Net realized and unrealized gain on investments             | <u>5,374,428</u>    |
| Net increase in partners' capital resulting from operations | <u>\$ 5,256,210</u> |

The accompanying notes are an integral part of these financial statements.

**Dhandho Holdings, L.P.**  
**Statement of Changes in Partners' Capital**  
**Year Ended December 31, 2023**  
*(expressed in United States dollars)*

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|  | General<br>Partner | Limited<br>Partners | Total         |
|--|--------------------|---------------------|---------------|
| <b>Balance January 1, 2023</b>                                 | \$ -               | \$ 17,635,323       | \$ 17,635,323 |
| Capital contributions  |                    | 618,219             | 618,219       |
| Capital withdrawals  |                    | (627,384)           | (627,384)     |
| Net increase in partners' capital<br>resulting from operations | -                  | 5,256,210           | 5,256,210     |
| <b>Balance, December 31, 2023</b>                              | \$ -               | \$ 22,882,368       | \$ 22,882,368 |

The accompanying notes are an integral part of these financial statements.

**Dhandho Holdings, L.P.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2023**  
*(expressed in United States dollars)*

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|  | <u>2023</u>      |
|--|------------------|
| Cash Flows from Operating Activities   |                  |
| Net increase in partners' equity resulting from operations   | \$ 5,256,210     |
| Adjustments to reconcile net increase in partners' capital resulting from operations to net cash provided by operating activities: |                  |
| Net realized gain from investments   | (1,803,904)      |
| Net change in unrealized appreciation on investments   | (3,573,764)      |
| Purchase of equity investments   | (7,142,018)      |
| Sale of equity investments   | 8,970,970        |
| Purchase of investment in other private investments  | (1,732,252)      |
| Payments received from return of capital from investments in private equity fund   | 35,191           |
| Change in other assets and liabilities:  |                  |
| Interest and dividends receivable  | 7,705            |
| Prepaid expense  | 9,896            |
| Accrued operating and trading expenses   | (32,389)         |
| Due to broker  | 13,074           |
| <b>Net cash provided by operating activities</b>   | <u>8,719</u>     |
| Cash Flows from Financing Activities   |                  |
| Partner withdrawals  | (9,165)          |
| <b>Net cash used in financing activities</b>   | <u>(9,165)</u>   |
| <b>Net decrease in cash</b>  | (446)            |
| Cash:  |                  |
| Beginning of year  | <u>31,726</u>    |
| End of year  | <u>\$ 31,280</u> |

Supplemental information:

|   |            |
|---|------------|
| Non-cash financial activities not included herein consist of partner contributions and withdrawals as a result of transfers between limited partners. Refer to notes 4 for further information. | \$ 618,219 |
|---|------------|

The accompanying notes are an integral part of these financial statements.

**Dhandho Holdings, L.P.**  
**Condensed Schedule of Investments**  
**December 31, 2023**  
*(expressed in United States dollars)*

| <u>Number of<br/>Shares</u> |   | <u>Value as a<br/>Percentage<br/>of Partners'<br/>Capital</u> | <u>Cost</u>      | <u>Fair<br/>Value</u> |
|-----------------------------|---|---|------------------|-----------------------|
| <b>Common Stocks</b>        |   |   |                  |                       |
| <b>United States</b>        |   |   |                  |                       |
| Basic Materials             |   |   |                  |                       |
| 8,971                       | Alpha Metallurgical Resources, Inc.                   | 13.29%  | \$ 1,368,847     | \$ 3,040,452          |
|                             | Other   | 0.38%   | 77,750           | 86,943                |
| Energy                      |   |   |                  |                       |
| 22,965                      | Consol Energy Inc.                                    | 10.09%  | 1,249,533        | 2,308,671             |
|                             | Total United States                                   | <u>23.76%</u>   | <u>2,696,130</u> | <u>5,436,066</u>      |
| <b>India</b>                |   |   |                  |                       |
| Financial Services          |   |   |                  |                       |
| 2,960,000                   | Edelweiss Financial Services Limited                  | 12.12%  | 1,492,657        | 2,772,449             |
|                             | Total India   | <u>12.12%</u>   | <u>1,492,657</u> | <u>2,772,449</u>      |
| <b>Turkey</b>               |   |   |                  |                       |
| Consumer Defensive          |   |   |                  |                       |
| 452,000                     | Anadolu Efes Biracilik ve Malt Sanayii Anonim Sirketi | 9.24%   | 1,296,102        | 2,114,197             |
| Industrials                 |   |   |                  |                       |
| 415,798                     | TAV Havalimanlari Holding A.S.                        | 6.64%   | 1,265,373        | 1,520,531             |
|                             | Total Turkey  | <u>15.88%</u>   | <u>2,561,475</u> | <u>3,634,728</u>      |
|                             | Total Common Stocks                                   | <u>51.76%</u>   | <u>6,750,262</u> | <u>11,843,243</u>     |

The accompanying notes are an integral part of these financial statements.

**Dhandho Holdings, L.P.**  
**Condensed Schedule of Investments**  
**December 31, 2023**  
*(expressed in United States dollars)*

| Company Name  | Investment                 | Value as a<br>Percentage<br>of Partners'<br>Capital | Cost          | Fair<br>Value |
|---|----------------------------|---|---------------|---------------|
| <b>Private operating companies</b>  |                            |   |               |               |
| Dhandho Funds, LLC  |                            |   |               |               |
| Limited Liability Company engaged in investment advisory.<br>The Partnership owns 73.24% of Dhandho Funds, LLC. | Member Units<br>(73 units) | 11.31%  | \$ 4,368,864  | \$ 2,588,290  |
| Total private operating companies   |                            | 11.31%  | 4,368,864     | 2,588,290     |
| <b>Private equity funds</b>   |                            |   |               |               |
| Tandem Fund III, LP *   |                            | 37.46%  | 5,421,045     | 8,572,598     |
| Total investments, at fair value  |                            | 100.53%   | \$ 16,540,171 | \$ 23,004,131 |

The following is a disclosure of the Partnership's proportionate interest in underlying investments of other private equity funds that exceed 5% of the Partnership's December 31, 2023 partners' capital.

| Company Name    | Investment | Value as a<br>Percentage<br>of Partners'<br>Capital | Cost       | Fair<br>Value |
|-----------------|------------|---|------------|---------------|
| Outdoorsy, Inc. |            | 24.64%  | \$ 456,925 | \$ 5,638,430  |

\* Objective of private equity fund: Primarily invest in securities of privately held companies building innovative technology businesses.  
Redemption terms: Voluntary redemptions are not permitted. The Fund will continue until March 7, 2025 unless extended by agreement of the partners or is terminated prior thereto under circumstances provided for in the LP Agreement dated January 7, 2015.

The accompanying notes are an integral part of these financial statements.

**Dhandho Holdings, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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**1. ORGANIZATION**

Dhandho Holdings, L.P. (the "Partnership") is a limited partnership organized in December 2013, pursuant to the laws of the State of Delaware. The purpose of the Partnership is to make equity investments in privately and publicly held businesses. In February 2014, the Partnership had its first closing with total contributed capital of approximately \$112,165,000.

The affairs of the Partnership are managed by its general partner. Effective November 16, 2020, the Partnership's general partner was changed to Dalal Street, LLC (the "General Partner") from Dhandho GP, LLC, a subsidiary of the General Partner which ceased its operation on August 25, 2021. The General Partner is a limited liability company domiciled in the State of Texas and controlled by Mohnish Pabrai. The General Partner is an investment adviser registered with the U.S. Securities and Exchange Commission.

The General Partner holds limited partner interest of 14.20%.

The General Partner has the overall responsibility for the management of the Partnership and provides portfolio management and administrative services. The General Partner is paid a Management Fee, as described in note 5.

The Limited Partnership Agreement (the "Agreement") provides for one class of limited partner interest, which corresponds to the dollar amount of the limited partner's investment.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of the Partnership, which conform to U.S. GAAP include the following:

**Basis of Presentation** - Management has evaluated the Partnership's structure, objectives and activities and has determined that the Partnership meets the characteristics of an investment company. As such, the Partnership's financial statements apply the guidance set forth in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, *Financial Services – Investment Companies*.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the General Partner to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ significantly from those estimates.

**Cash and Cash Equivalents** - The Partnership considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Due From Affiliate** – The amount shown as due from affiliate represents \$2,108 overpaid by the Partnership in 2018 to Dhandho Holdings Offshore Ltd. for redemption proceeds.

**Dhandho Holdings, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
**(expressed in United States dollars)**

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**Due to Brokers** - The amount shown as a due to brokers represents a payable to brokers as of December 31, 2023. For the year ended December 31, 2023, due to broker is \$71,469.

**Security Valuation** - Investments listed on a national securities exchange are valued at their last sales price on the date of valuation on the primary exchange. In the event no such price is available for such date, then the last reported sale price within the last five-day period preceding the valuation date is utilized. If no such price is reported, then the security will be valued at the representative bid price at the close of business on the valuation date.

Investments whose market quotations are not readily available are valued at fair value as determined in good faith under procedures established by the General Partner. Because of the inherent uncertainty of valuation, the estimate of fair value may differ from the values that would have been used had a ready market existed and the differences could be material. Money market funds are valued at net asset value per share, which approximates fair value. Notwithstanding the foregoing, if in the reasonable judgment of the Partnership, in its sole discretion, the listed price for any security held by the Partnership does not accurately reflect the value of such security, the Partnership may value such security at a price which is greater or less than the quoted market price for such security.

**Valuation of Investments** - The Partnership values its investment Dhandho Funds, LLC ("DF") at fair value as determined in good faith by the General Partner in accordance with ASC 820. Because of inherent uncertainty of valuations, estimated values may differ significantly from values that would have been used had a ready market for the investment existed, and the difference could be material.

**Security Transactions and Income and Expense Recognition** - Investment transactions are recorded on trade date. Income and expenses are recorded on the accrual basis and dividend income and capital gain distributions are recorded on the ex-dividend date net of foreign dividend withholding taxes. Realized gains and losses are recorded on the specific identification method.

**Foreign Currency Transactions** - Assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the year-end exchange rates. Purchases and sales of these assets and liabilities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Partnership does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of investments held.

**Income Taxes** - No provision is made in the accompanying financial statements for liabilities for federal, state or local income taxes since such liabilities are not the responsibility of the Partnership. Each partner is required to report on his/her income tax return his/her proportionate share of the items of income and deduction of the Partnership.

**Dhandho Holdings, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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The Fund executes trades on various international exchanges and, therefore, may be subject to taxes levied in certain countries. The investments in common stock traded on the Indian exchange are subject to short-term capital gains tax at 15% and long-term capital gain tax at 10%. Dividends are subject to dividend withholding tax at 20%. Prior to April 1, 2018 long-term capital gains were not subject to tax. The Partnership had no accrued tax expenses related to unrealized Indian capital gains for the year ended December 31, 2023. The Partnership intends to hold the Indian securities for the long-term. The investments in common stock traded on the Turkish exchange are subject to withholding based taxation applicable on capital gains and interest for equities and fixed income securities purchased on or after January 1, 2006. The current tax rate is zero for equities and 10% for fixed income securities. Dividends are subject to dividend withholding tax at the rate of 10%. Provisions of tax treaties are reserved. For countries with double taxation treaties, the treaty rate prevails only if it is more favorable than the standard rate.

Management has continued to evaluate the application of Accounting Standards Codification (“ASC”) 740, “Income Taxes”, and has determined that no reserves for uncertain tax positions were required to have been recorded as a result of the adoption of ASC 740. Open tax years are those that are open for exam by taxing authorities. As of December 31, 2023, open tax years include the tax years ended December 31, 2021 through December 31, 2023. The Partnership is not aware of any examinations in progress. The Partnership has reviewed all open tax years and major jurisdictions and concluded that the adoption of these financial reporting rules resulted in no effect to the Partnership's financial position or results of operations. There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on the tax return for the fiscal year ended December 31, 2023. The Partnership is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefit will significantly change in the next twelve months.

**Dhandho Holdings, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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**3. FAIR VALUE MEASUREMENT**

The Partnership has adapted financial reporting rules that establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 Inputs that are unobservable

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the General Partner. The General Partner considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the General Partner's perceived risk of that instrument. Investments whose values are based on quoted market prices in active markets, and are therefore classified within level 1, include active listed equities, and certain money market securities. The General Partner does not adjust the quoted price for such instruments, even in situations where the Partnership holds a large position and a sale could reasonably impact the quoted price. Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, are classified within level 2. These include investment-grade corporate bonds and less liquid listed equities. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The inputs used by the General Partner in estimating the value of the level 3 investment include the original transaction price, recent transactions in the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial

**Dhandho Holdings, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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ratios or cash. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the General Partner in the absence of market information. The fair value measurement of level 3 investments does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by the General Partner due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Partnership's results of operations.

As permitted under U.S. GAAP, the General Partner uses, as a practical expedient, the net asset valuations provided by the underlying private investment company to value its investment in other funds when the net asset valuation of the investments are calculated in a manner consistent with U.S. GAAP for investment companies. However, if it is probable that the Partnership will sell an investment at an amount different from the net asset valuation or in other situations where the practical expedient is not available, the Partnership considers other factors in addition to the net asset valuation, such as features of the investment, including subscription and redemption rights, expected discounted cash flows, transactions in the secondary market, bids received from potential buyers, and overall market conditions in its determination of fair value.

During the year ended December 31, 2023, there were no such adjustments to fair value recorded. In accordance with ASU 2015-07, the Partnership's investment in other investment companies has not been categorized in the fair value hierarchy nor in a roll forward of investment activity.

The following table presents the financial instruments carried on the Statement of Assets, Liabilities and Partners' Capital by level:

|                             | Assets at Fair Value as of December 31, 2023 |         |              |               |
|-----------------------------|--|---------|--------------|---------------|
|                             | Level 1                                      | Level 2 | Level 3      | Total         |
| Investments                 |  |         |              |               |
| Common stock                | \$ 11,843,243                                | \$ -    | \$ -         | \$ 11,843,243 |
| Private operating companies | -  | -       | 2,588,290    | 2,588,290     |
| Total investments           | \$ 11,843,243                                | \$ -    | \$ 2,588,290 | \$ 14,431,533 |

There were no transfers in and out of either Level 1, Level 2 or Level 3 as of or during the year ended December 31, 2023.

As of December 31, 2023, the Partnership owns 73.24% of the outstanding members' units of DF with an estimated market value of approximately \$2,588,290. DF is a limited liability company organized under the laws of the state of Delaware and is the General Partner of other funds managed by Mohnish Pabrai. DF was valued by the General Partner at the price that would be received in a current sale, using expected discounted cash flows.

During the year ended December 31, 2023, the Partnership's investment in Monti Kids, Inc. was dissolved.

**Dhandho Holdings, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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At December 31, 2023, the Partnership's investment in the Tandem as measured at NAV as practical expedient was \$8,572,598.

The General Partner values the Partnership's Level 3 investments on a quarterly basis using the net asset valuation. The management of the General Partner reviews information about the underlying assets of the Level 3 investments and arrives at a consensus about their valuation.

The following table summarized the changes in assets presented at fair value using Level 3 inputs:

Level 3 Investments - December 31, 2023

|                   | Balance at<br>January 1, 2023 | Purchases    | Distributions | Realized<br>Gain/(Loss) | Unrealized<br>Gain/(Loss) | Balance at<br>December 31,<br>2023 |
|-------------------|-------------------------------|--------------|---------------|-------------------------|---------------------------|------------------------------------|
| Dhandho Funds LLC | \$ 706,308                    | 1,732,252    | -             | -                       | 149,730                   | \$ 2,588,290                       |
| Monti Kids, Inc.  | 53,099                        | -            | -             | (36,620)                | (16,479)                  | -                                  |
| Total             | \$ 759,407                    | \$ 1,732,252 | \$ -          | \$ (36,620)             | \$ 133,251                | \$ 2,588,290                       |

The following table presents the qualitative unobservable inputs used to value Level 3 investments at December 31, 2023:

Level 3 Investments - December 31, 2023

|                   | Fair Value   | Valuation Technique  | Unobservable Input  | Range of inputs                          |
|-------------------|--------------|----------------------|---|--|
| Dhandho Funds LLC | \$ 2,588,290 | Discounted Cash Flow | Discount Rate<br>Net AUM Annual Growth<br>Annual Performance Rate | 12.50%<br>\$2 - \$50 million<br>5% - 15% |
| Total             | \$ 2,588,290 |                      |   |  |

**Dhandho Holdings, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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**4. PARTNERS' CAPITAL**

**Subscriptions and Units** - All limited partners of the Partnership must be "accredited investors" as defined in the Investment Company Act of 1940. In exchange for each partner's subscription to the Partnership, the Partnership issues Units, which represent an undivided proportionate interest in the assets and liabilities of the Partnership. Units were initially issued at \$10 on March 1, 2014 and are subsequently offered at Net Asset Value Per Unit. As of any valuation date, the Net Asset Value Per Unit is determined by dividing the Partners' Capital of the Partnership by the total number of Units outstanding.

**Withdrawals** - The Partnership does not permit redemptions by limited partners; however, limited partners may transfer their interests to other investors with the approval of the General Partner.

During the year ended December 31, 2023, the General Partner processed withdrawals in the amount of \$9,165 for certain limited partners in connection with taxes incurred by such limited partners.

**Transfers** - Interests are not transferable without the consent of the General Partner.

**Distributions** - The General Partner may cause the Partnership to make distributions to the limited partners before the dissolution of the Partnership at such times and in such amounts as it determines in its sole discretion.

**Allocations of Profits and Losses** - Allocations of net increase/decrease in Partners' Capital to partners are made in accordance with the Limited Partnership Agreement (the "Agreement"), which calls for such allocations to be generally proportional to contributed capital. Net Profits, which includes net changes in unrealized appreciation or depreciation of investments and realized investment gains or losses and income and expense, are generally allocated at least annually and each time new Units are issued/redeemed, in proportion to the Units held at the beginning of such fiscal period. The allocation will be first, 100% to the limited partners until the allocation equals the aggregate of their respective capital contributions to the partnership. After this first condition is met, net increases in Partners' capital will be allocated 90% to the limited partners, pro rata in accordance with their respective capital contributions, and 10% to the General Partner, which is referred as the General Partner's "Carried Interest". The General Partner may determine when to distribute or to retain realized gains on investments. The General Partner has decided to permanently waive its collection of Carried Interest in the Partnership and Dhandho Holdings Qualified Purchaser, L.P. This waiver does not impact at all the General Partner's right to and ownership of its share of pro-rata carried interest earned by DF by virtue of the General Partner's look-through ownership of DF.

**Dhandho Holdings, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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Units Summary

|                                   |                      |
|-----------------------------------|----------------------|
| <b>Balance January 1, 2023</b>    | 11,090,918.92        |
| Subscription of Units             | -                    |
| Withdrawal of Units               | (4,670.75)           |
| Transfer in of Units              | 349,570.66           |
| Transfer out of Units             | <u>(349,570.66)</u>  |
| <b>Balance, December 31, 2023</b> | <u>11,086,248.17</u> |

**5. RELATED PARTY TRANSACTIONS**

The Partnership is a member of a group of affiliated companies and has transactions and relationships with members of the group. As of December 31, 2023, the Partnership due from (to) related parties was as follows:

|                                | Due From        | Due To      | Net             |
|--------------------------------|-----------------|-------------|-----------------|
| Dhandho Holdings Offshore Ltd. | <u>\$ 2,108</u> | <u>-</u>    | <u>\$ 2,108</u> |
| Total due from related parties | <u>\$ 2,108</u> | <u>\$ -</u> | <u>\$ 2,108</u> |

The General Partner charges a management fee in consideration for the services it provides to the Partnership and all normal overhead expenses of the General Partner. In general, the annual management fee is an amount set by the General Partner, not to exceed 1% of the aggregate amount of capital contributions of all limited partners. For the year ended December 31, 2023, \$124,508 of management fees were charged to the Partnership.

As of December 31, 2023, the affiliates of the General Partner (including Dhandho Holdings Offshore Ltd.) held 56.30% of the Partnership's interest.

**6. COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Partnership enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Partnership's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Partnership that have not yet occurred. However, based on experience, the Partnership expects the risk of loss to be remote.

The Partnership's total commitments in Tandem is \$7,324,000 which was fully funded as of December 31, 2023.

**Dhandho Holdings, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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**7. RISK**

The Partnership's investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. The significant types of financial risks to which the Partnership is exposed include, but are not limited to market risk, price risk/nature of investment, interest rate risk, liquidity risk, currency risk, emerging market risk, credit risk and other additional risks. Certain aspects of those risks are addressed below.

*Market Risk*

Market risk encompasses the potential for both losses and gains and includes price risk and interest rate risk.

*Price Risk/Nature of Investment*

Certain of the Partnership's investments are long-term and highly illiquid and there is no assurance that the Partnership will achieve its investment objectives including targeted returns. Due to the illiquidity of the investments, valuation of the assets may be difficult, as there generally will be no established markets for these assets. As the Partnership's financial instruments are carried at fair value with fair value changes recognized in the Statement of Operations, all changes in market conditions will directly affect the net asset value of the Partnership.

*Interest Rate Risk*

The Partnership and the Partnership's portfolio companies may invest in fixed income securities and/or debt. Any change to the interest rates relevant to particular securities may result in the inability to secure similar returns on the expiration of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the value of the fixed interest securities will decline. A decline in interest rates will in general have the opposite effect.

*Liquidity Risk*

Certain of the Partnership's portfolio companies are privately held. As a result, there is no readily available secondary market for the Partnership's interests in such portfolio companies, and those interests will be subject to legal restrictions on transfer. Therefore, there is no assurance that the Partnership will be able to realize liquidity for such investments in a timely manner, if at all. The Partnership faces liquidity risk from DF, Tandem and Monti.

*Currency Risk*

The Partnership invests in assets and liabilities denominated in foreign currencies which are translated into U.S. dollar amounts at the year-end exchange rates. The value of these

**Dhandho Holdings, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
***(expressed in United States dollars)***

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assets and liabilities are exposed to fluctuations in the foreign currencies as compared to the US dollar.

*Emerging Markets Risk*

Investments in securities and instruments traded in developing or emerging markets, or that provide exposure to these securities or markets, can involve additional risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments or investments in more developed international markets. For example, emerging markets may be subject to, among other risks, greater market volatility; lower trading volume and liquidity; greater social, political and economic uncertainty; governmental controls on foreign investments and limitations on repatriation of invested capital; lower disclosure, corporate governance, auditing and financial reporting standards; fewer protections of property rights; restrictions on the transfer of securities or currency; and settlement and trading practices that differ from U.S. markets and markets of more developed countries. Each of these factors may impact the ability of the Partnership to buy, sell or otherwise transfer securities, adversely affect the Partnership and cause the Partnership to decline in value.

*Credit Risk*

The Partnership and its portfolio companies may include the acquisition of debt securities. Investment portfolios with debt securities are subject to credit risk. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risks may change over the life of an instrument. Securities that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline the market value of such Securities.

**Dhandho Holdings, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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**8. FINANCIAL HIGHLIGHTS**

Financial highlights are calculated for a limited partner unit outstanding for the entire period. An individual limited partner's return and ratios may vary based on timing of capital transactions. The ratios are computed based on the average limited partners' capital, calculated for all limited partners as a group.

**Selected per unit data**

|   |    |               |
|---|----|---------------|
| Net asset value, beginning of year                          | \$ | 1.59          |
| Income from investment operations <sup>(1)</sup>            |    |               |
| Net investment loss   |    | -             |
| Net realized gain and net change in unrealized appreciation |    | 0.48          |
| Investment management fee                                   |    | <u>(0.01)</u> |
| Net asset value, end of year                                | \$ | <u>2.06</u>   |

**Total return**

|              |              |   |
|--------------|--------------|---|
| Total return | <u>29.81</u> | % |
|--------------|--------------|---|

**Ratios to average limited partners' capital**

|                     |               |   |
|---------------------|---------------|---|
| Operating Expenses  | <u>1.04</u>   | % |
| Net investment loss | <u>(0.61)</u> | % |

(1) Calculated using the average number of units outstanding during the year.

**9. SUBSEQUENT EVENTS**

The Partnership evaluated subsequent events through the issuance of the Partnership's Financial Statements on March 27, 2024.

**Dhandho Holdings Qualified Purchaser, L.P.**

***REPORT OF INDEPENDENT AUDITORS  
AND  
AUDITED FINANCIAL STATEMENTS***

December 31, 2023

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Index**  
**December 31, 2023**

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## Report of independent auditors

To the General Partner of Dhandho Holdings Qualified Purchaser, L.P.

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### Opinion

We have audited the accompanying financial statements of Dhandho Holdings Qualified Purchaser, L.P. (the "Partnership"), which comprise the statement of assets, liabilities and partners' capital, including the condensed schedule of investments, as of December 31, 2023, and the related statements of operations, of changes in partners' capital, and of cash flows for the year then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2023, and the results of its operations, changes in its partners' capital, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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### Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for one year after the date the financial statements are available to be issued.



## Report of independent auditors (continued)

To the General Partner of Dhandho Holdings Qualified Purchaser, L.P.

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### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers".

March 27, 2024

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Statement of Assets, Liabilities and Partners' Capital**  
**December 31, 2023**  
*(expressed in United States dollars)*

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|   | <u>2023</u>         |
|---|---------------------|
| <b>ASSETS</b>   |                     |
| Cash  | \$ 17,747           |
| Investments, at fair value (cost \$6,011,089)         | 8,079,595           |
| Prepaid expenses                                      | 135                 |
| Total assets  | <u>\$ 8,097,477</u> |
| <b>LIABILITIES AND PARTNERS' CAPITAL</b>              |                     |
| Due to broker   | \$ 415,640          |
| Accrued operating expenses                            | 44,831              |
| Total liabilities                                     | <u>460,471</u>      |
| Partners' capital                                     |                     |
| General partner                                       | -                   |
| Limited partners (4,070,472 units at \$1.88 per unit) | 7,637,006           |
| Total partners' capital                               | <u>7,637,006</u>    |
| Total liabilities and partners' capital               | <u>\$ 8,097,477</u> |

The accompanying notes are an integral part of these financial statements.

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Statement of Operations**  
**Year ended December 31, 2023**  
*(expressed in United States dollars)*

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|   | <u>2023</u>         |
|---|---------------------|
| <b>Investment Income:</b>                                   |                     |
| Dividends (net of withholding tax of \$1,034)               | \$ 15,815           |
| Interest income   | 682                 |
| Total Investment Income                                     | <u>16,497</u>       |
| <b>Expense:</b>   |                     |
| Interest expense  | 7,474               |
| Professional fees   | 20,035              |
| Management fees   | 45,492              |
| Administration fees   | 10,000              |
| Total expenses  | <u>83,001</u>       |
| <b>Net Investment loss</b>                                  | <u>(66,504)</u>     |
| <b>Net realized and unrealized gain on investments</b>      |                     |
| Net realized gain from investments                          | 665,889             |
| Net realized loss on foreign currency transactions          | (785)               |
| Net change in unrealized appreciation on investments        | 929,762             |
| Net realized and unrealized gain on investments             | <u>1,594,866</u>    |
| Net increase in partners' capital resulting from operations | <u>\$ 1,528,362</u> |

The accompanying notes are an integral part of these financial statements.

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Statement of Changes in Partners' Capital**  
**Year Ended December 31, 2023**  
*(expressed in United States dollars)*

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|  | General<br>Partner | Limited<br>Partners | Total               |
|--|--------------------|---------------------|---------------------|
| <b>Balance January 1, 2023</b>                             | \$ -               | \$ 6,108,644        | \$ 6,108,644        |
| Capital contributions                                      |                    | 19,012              | 19,012              |
| Capital withdrawals  | -                  | (19,012)            | (19,012)            |
| Increase in partners' capital<br>resulting from operations | -                  | 1,528,362           | 1,528,362           |
| <b>Balance, December 31, 2023</b>                          | <b>\$ -</b>        | <b>\$ 7,637,006</b> | <b>\$ 7,637,006</b> |

The accompanying notes are an integral part of these financial statements.

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2023**  
*(expressed in United States dollars)*

|  | <u>2023</u>      |
|--|------------------|
| Cash Flows from Operating Activities   |                  |
| Net increase in partners' equity resulting from operations   | \$ 1,528,362     |
| Adjustments to reconcile net increase in partners' capital resulting from operations to net cash provided by operating activities: |                  |
| Net realized gain from investments   | (665,889)        |
| Net change in unrealized appreciation on investments   | (929,762)        |
| Purchase of equity investments   | (2,087,906)      |
| Sale of equity investments   | 2,400,993        |
| Purchase of investment in other private investments  | (632,920)        |
| Payments received from return of capital from investments in private equity fund   | 12,858           |
| Change in other assets and liabilities:  |                  |
| Prepaid expenses   | 3,670            |
| Interest and dividends receivable  | 2,875            |
| Due to broker  | 395,782          |
| Accrued operating expenses   | (21,066)         |
| <b>Net cash provided by operating activities</b>   | <u>6,997</u>     |
| Cash Flows from Financing Activities   |                  |
| Partner capital distributions  | -                |
| <b>Net cash used in financing activities</b>   | <u>-</u>         |
| <b>Net increase in cash</b>  | 6,997            |
| Cash:  |                  |
| Beginning of year  | <u>10,750</u>    |
| End of year  | <u>\$ 17,747</u> |

Supplemental information:

|   |           |
|---|-----------|
| Non-cash financial activities not included herein consist of partner contributions and withdrawals as a result of transfers between limited partners. Refer to notes 4 for further information. | \$ 19,012 |
|---|-----------|

The accompanying notes are an integral part of these financial statements.

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Condensed Schedule of Investments**  
**December 31, 2023**  
*(expressed in United States dollars)*

| <u>Number of<br/>Shares</u> |   | <u>Value as a<br/>Percentage<br/>of Partners'<br/>Capital</u> | <u>Cost</u>      | <u>Fair<br/>Value</u> |
|-----------------------------|---|---|------------------|-----------------------|
| <b>Common Stocks</b>        |   |   |                  |                       |
| <b>United States</b>        |   |   |                  |                       |
|                             | Basic Materials                                       |   |                  |                       |
| 3,404                       | Alpha Metallurgical Resources, Inc.                   | 15.11%  | \$ 515,701       | \$ 1,153,683          |
|                             | Energy  |   |                  |                       |
| 9,894                       | Consol Energy Inc.                                    | <u>13.02%</u>   | <u>553,217</u>   | <u>994,644</u>        |
|                             | Total United States                                   | <u>28.13%</u>   | <u>1,068,918</u> | <u>2,148,327</u>      |
| <b>Turkey</b>               |   |   |                  |                       |
|                             | Consumer Defensive                                    |   |                  |                       |
| 200,000                     | Anadolu Efes Biracilik ve Malt Sanayii Anonim Sirketi | 12.25%  | 566,424          | 935,486               |
|                             | Industrials   |   |                  |                       |
| 251,000                     | TAV Havalimanlari Holding A.S.                        | <u>12.02%</u>   | <u>798,760</u>   | <u>917,881</u>        |
|                             | Total Turkey  | <u>24.27%</u>   | <u>1,365,184</u> | <u>1,853,367</u>      |
|                             | Total Common Stocks                                   | <u>52.40%</u>   | <u>2,434,102</u> | <u>4,001,694</u>      |

The accompanying notes are an integral part of these financial statements.

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Condensed Schedule of Investments**  
**December 31, 2023**  
*(expressed in United States dollars)*

| Company Name  | Investment   | Value as a<br>Percentage<br>of Partners'<br>Capital | Cost         | Fair<br>Value |
|---|--------------|---|--------------|---------------|
| <b>Private operating companies</b>                            |              |   |              |               |
| Dhandho Funds, LLC  |              |   |              |               |
| Limited Liability Corporation engaged in investment advisory. | Member Units |   |              |               |
| The Partnership owns 26.76% of Dhandho Funds, LLC.            | (27 units)   | 12.38%  | 1,596,277    | 945,694       |
| Total private operating companies                             |              | 12.38%  | 1,596,277    | 945,694       |
| <b>Private equity funds</b>                                   |              |   |              |               |
| Tandem Fund III, LP *   |              |   |              |               |
|   |              | 41.01%  | 1,980,710    | 3,132,207     |
| Total investment, at fair value                               |              | 105.80%   | \$ 6,011,089 | \$ 8,079,595  |

The following is a disclosure of the Partnership's proportionate interest in underlying investments of other private equity funds that exceed 5% of the Partnership's December 31, 2023 partners' capital.

| Company Name    | Investment | Value as a<br>Percentage<br>of Partners'<br>Capital | Cost       | Fair<br>Value |
|-----------------|------------|---|------------|---------------|
| Outdoorsy, Inc. |            | 26.98%  | \$ 166,949 | \$ 2,060,137  |

\* Objective of private equity fund: Primarily invest in securities of privately held companies building innovative technology businesses. Redemption terms: Voluntary redemptions are not permitted. The Fund will continue until March 7, 2025 unless extended by agreement of the partners or is terminated prior thereto under circumstances provided for in the LP Agreement dated January 7, 2015.

The accompanying notes are an integral part of these financial statements.

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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**1. ORGANIZATION**

Dhandho Holdings Qualified Purchaser, L.P. (the "Partnership") is a limited partnership organized in February 2014, pursuant to the laws of the State of Delaware. The purpose of the Partnership is to make equity investments in privately and publicly held businesses. In February 2014, the Partnership had its first closing with total contributed capital of \$36,212,400. In April 2014, a second closing of \$4,000,000 brought contributed capital to \$40,212,400.

The affairs of the Partnership are managed by its general partner. Effective November 16, 2020, the Partnership's general partner was changed to Dalal Street, LLC (the "General Partner") from Dhandho GP, LLC, a subsidiary of the General Partner which ceased its operation on August 25, 2021. The General Partner is a limited liability company domiciled in the State of Texas and controlled by Mohnish Pabrai. The General Partner is an investment adviser registered with the U.S. Securities and Exchange Commission.

The General Partner holds limited partner interest of 31.73% directly and through Mohnish Pabrai.

The General Partner has the overall responsibility for the management of the Partnership and provides portfolio management and administrative services. The General Partner will be paid a Management Fee described in note 5.

The Limited Partnership Agreement (the "Agreement") provides for one class of limited partner interest, which corresponds to the dollar amount of the limited partner's investment.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of the Partnership, which conform to U.S. GAAP include the following:

**Basis of Presentation** – Management has evaluated the Partnership's structure, objectives and activities and has determined that the Partnership meets the characteristics of an investment company. As such, the Partnership's financial statements apply the guidance set forth in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, *Financial Services – Investment Companies*.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the General Partner to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ significantly from those estimates.

**Cash and Cash Equivalents** - The Partnership considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
**(expressed in United States dollars)**

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**Due to Broker** – The amount shown as a due to broker represents a payable to brokers as of December 31, 2023. For the year ended December 31, 2023 due to broker is \$415,640.

**Security Valuation** - Investments listed on a national securities exchange are valued at their last sales price on the date of valuation on the primary exchange. In the event no such price is available for such date, then the last reported sale price within the last five-day period preceding the valuation date is utilized. If no such price is reported, then the security will be valued at the representative bid price at the close of business on the valuation date. Investments whose market quotations are not readily available are valued at fair value as determined in good faith under procedures established by the General Partner. Because of the inherent uncertainty of valuation, the estimate of fair value may differ from the values that would have been used had a ready market existed and the differences could be material. Money market funds are valued at net asset value per share, which approximates fair value. Notwithstanding the foregoing, if in the reasonable judgment of the Partnership, in its sole discretion, the listed price for any security held by the Partnership does not accurately reflect the value of such security, the Partnership may value such security at a price which is greater or less than the quoted market price for such security.

**Valuation of Investments** - The Partnership values its investment in Dhandho Funds, LLC (“DF”) at fair value as determined in good faith by the General Partner in accordance with ASC 820. Because of inherent uncertainty of valuations, estimated values may differ significantly from values that would have been used had a ready market for the investment existed, and the difference could be material.

**Security Transactions and Income and Expense Recognition** - Investment transactions are recorded on trade date. Income and expenses are recorded on the accrual basis and dividend income and capital gain distributions are recorded on the ex-dividend date net of foreign dividend withholding taxes. Realized gains and losses are recorded on the specific identification method.

**Foreign Currency Transactions** - Assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the year-end exchange rates. Purchases and sales of these assets and liabilities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Partnership does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of investments held.

**Income Taxes** No provision is made in the accompanying financial statements for liabilities for federal, state or local income taxes since such liabilities are not the responsibility of the Partnership. Each partner is required to report on his/her income tax return his/her proportionate share of the items of income and deduction of the Partnership.

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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The Fund executes trades on various international exchanges and, therefore, may be subject to taxes levied in certain countries. The investments in common stock traded on the Turkish exchange are subject to withholding based taxation applicable on capital gains and interest for equities and fixed income securities purchased on or after January 1, 2006. The current tax rate is zero for equities and 10% for fixed income securities. Dividends are subject to dividend withholding tax at the rate of 10%. Provisions of tax treaties are reserved. For countries with double taxation treaties, the treaty rate prevails only if it is more favorable than the standard rate.

Management has continued to evaluate the application of Accounting Standards Codification (“ASC”) 740, “Income Taxes”, and has determined that no reserves for uncertain tax positions were required to have been recorded as a result of the adoption of ASC 740. Open tax years are those that are open for exam by taxing authorities. As of December 31, 2023, open tax years include the tax years ended December 31, 2021 through December 31, 2023. The Partnership is not aware of any examinations in progress. The Partnership has reviewed all open tax years and major jurisdictions and concluded that the adoption of these financial reporting rules resulted in no effect to the Partnership's financial position or results of operations. There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on the tax return for the fiscal year ended December 31, 2023. The Partnership is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefit will significantly change in the next twelve months.

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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**3. FAIR VALUE MEASUREMENT**

The Partnership has adapted financial reporting rules that establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the General Partner. The General Partner considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the General Partner's perceived risk of that instrument. Investments whose values are based on quoted market prices in active markets, and are therefore classified within level 1, include active listed equities, and certain money market securities. The General Partner does not adjust the quoted price for such instruments, even in situations where the Partnership holds a large position and a sale could reasonably impact the quoted price. Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, are classified within level 2. These include investment-grade corporate bonds and less liquid listed equities. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The inputs used by the General Partner in estimating the value of the level 3 investment include the original transaction price, recent transactions in the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the General Partner in the

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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absence of market information. The fair value measurement of level 3 investments does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by the General Partner due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Partnership's results of operations.

As permitted under U.S. GAAP, the General Partner uses, as a practical expedient, the net asset valuations provided by the underlying private investment company to value its investment in other funds when the net asset valuation of the investments are calculated in a manner consistent with U.S. GAAP for investment companies. However, if it is probable that the Partnership will sell an investment at an amount different from the net asset valuation or in other situations where the practical expedient is not available, the Partnership considers other factors in addition to the net asset valuation, such as features of the investment, including subscription and redemption rights, expected discounted cash flows, transactions in the secondary market, bids received from potential buyers, and overall market conditions in its determination of fair value.

During the year ended December 31, 2023, there were no such adjustments to fair value recorded. In accordance with ASU 2015-07, the Partnership's investment in other investment companies has not been categorized in the fair value hierarchy nor in a roll forward of investment activity.

The following table presents the financial instruments carried on the Statement of Assets and Liabilities and Partners' Capital by level:

|                             | Assets at Fair Value as of December 31, 2023 |         |            | Total        |
|-----------------------------|--|---------|------------|--------------|
|                             | Level 1                                      | Level 2 | Level 3    |              |
| Investments                 |  |         |            |              |
| Common stock                | \$ 4,001,694                                 | \$ -    | \$ -       | \$ 4,001,694 |
| Private operating companies | -  | -       | 945,694    | 945,694      |
| Total investments           | \$ 4,001,694                                 | \$ -    | \$ 945,694 | \$ 4,947,388 |

There were no transfers in and out of either Level 1, Level 2 or Level 3 as of or during the year ended December 31, 2023.

As of December 31, 2023, the Partnership owns 26.76% of the outstanding members' units of DF with an estimated market value of approximately \$945,694. DF is a limited liability company organized under the laws of the state of Delaware and is the General Partner of other funds managed by Mohnish Pabrai. DF was valued by the General Partner at the price that would be received in a current sale, using expected discounted cash flows.

During the year ended December 31, 2023, the Partnership's investment in Monti Kids, Inc. was dissolved.

At December 31, 2023, the Partnership's investment in the Tandem as measured at NAV as practical expedient was \$3,132,207.

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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The General Partner values the Partnership's Level 3 investments on a quarterly basis using the net asset valuation. The management of the General Partner reviews information about the underlying assets of the Level 3 investments and arrives at a consensus about their valuation.

The following table summarized the changes in assets presented at fair value using Level 3 inputs:

Level 3 Investments - December 31, 2023

|                   | Balance at<br>January 1, 2023 | Purchases         | Distributions | Realized<br>Gain/Loss | Unrealized<br>Gain/Loss | Balance at<br>December 31,<br>2023 |
|-------------------|-------------------------------|-------------------|---------------|-----------------------|-------------------------|------------------------------------|
| Dhandho Funds LLC | \$ 258,067                    | 632,920           | -             | -                     | 54,707                  | \$ 945,694                         |
| Monti Kids, Inc.  | 19,401                        | -                 | -             | (13,380)              | (6,021)                 | -                                  |
| Total             | <u>\$ 277,468</u>             | <u>\$ 632,920</u> | <u>\$ -</u>   | <u>\$ (13,380)</u>    | <u>\$ 48,686</u>        | <u>\$ 945,694</u>                  |

The following table presents the qualitative unobservable inputs used to value Level 3 investments at December 31, 2023:

Level 3 Investments - December 31, 2023

|                   | Fair Value        | Valuation Technique     | Unobservable Input  | Range of inputs                          |
|-------------------|-------------------|-------------------------|---|--|
| Dhandho Funds LLC | \$ 945,694        | Discounted Cash<br>Flow | Discount Rate<br>Net AUM Annual Growth<br>Annual Performance Rate | 12.50%<br>\$2 - \$50 million<br>5% - 15% |
| Total             | <u>\$ 945,694</u> |                         |   |  |

#### 4. PARTNER'S CAPITAL

**Subscriptions and Units** - All limited partners of the Partnership must be "qualified purchasers" as defined in the Investment Company Act of 1940. In exchange for each Partner's subscription to the Partnership, the Partnership issues Units, which represent an undivided proportionate interest in the assets and liabilities of the Partnership. Units were initially issued at \$10 on March 1, 2014 and are subsequently offered at Net Asset Value Per Unit. As of any valuation date, the Net Asset Value Per Unit is determined by dividing the partners' Capital of the Partnership by the total number of Units outstanding.

**Withdrawals** - The Partnership does not permit redemptions by limited partners; however, limited partners may transfer their interests to other investors with the approval of the General Partner.

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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During the year ended December 31, 2023, the General Partner processed no withdrawals for certain limited partners in connection with taxes incurred by such limited partners.

**Transfers** - Interests are not transferable without the consent of the General Partner.

**Distributions** - The General Partner may cause the Partnership to make distributions to the limited partners before the dissolution of the Partnership at such times and in such amounts as it determines in its sole discretion.

**Allocations of Profits and Losses** - Allocations of net increase/decrease in Partners' Capital to partners are made in accordance with the Limited Partnership Agreement (the "Agreement"), which calls for such allocations to be generally proportional to contributed capital. Net Profits, which includes net changes in unrealized appreciation or depreciation of investments and realized investment gains or losses and income and expense, are generally allocated at least annually and each time new Units are issued/redeemed, in proportion to the Units held at the beginning of such fiscal period. The allocation will be first, 100% to the limited partners until the allocation equals the aggregate of their respective capital contributions to the partnership. After this first condition is met, net increases in Partners' capital will be allocated 90% to the limited partners, pro rata in accordance with their respective capital contributions, and 10% to the General Partner, which is referred as the General Partner's "Carried Interest". The General Partner may determine when to distribute or to retain realized gains on investments. The General Partner has decided to permanently waive its collection of Carried Interest in Dhandho Holdings, L.P., and the Partnership. This waiver does not impact at all the General Partner's right to and ownership of its share of pro-rata carried interest earned by DF by virtue of the General Partner's look-through ownership of DF.

At December 31, 2023, three limited partners held approximately 42% of the total Partners' capital.

Units Summary

|                                   |                     |
|-----------------------------------|---------------------|
| <b>Balance January 1, 2023</b>    | 4,070,472.44        |
| Subscription of Units             | -                   |
| Withdrawal of Units               | -                   |
| Transfer in of Units              | 10,000.00           |
| Transfer out of Units             | (10,000.00)         |
| <b>Balance, December 31, 2023</b> | <u>4,070,472.44</u> |

**Dhandho Holdings Qualified Purchaser, L.P.**  
**Notes to Financial Statements**  
**December 31, 2023**  
*(expressed in United States dollars)*

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**5. RELATED PARTY TRANSACTIONS**

The General Partner charges a management fee in consideration for the services it provides to the Partnership and all normal overhead expenses of the General Partner. In general, the annual management fee is an amount set by the General Partner, not to exceed 1% of the aggregate amount of capital contributions of all limited partners. For the year ended December 31, 2023, \$45,492 of management fees were charged to the Partnership.

As of December 31, 2023, the affiliates of the General Partner held 39.41% of the Partnership's interest.

**6. COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Partnership enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Partnership's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Partnership that have not yet occurred. However, based on experience, the Partnership expects the risk of loss to be remote. The Partnership's total commitments in Tandem is \$2,676,000 which was fully funded as of December 31, 2023.

**7. RISK**

The Partnership's investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. The significant types of financial risks to which the Partnership is exposed include, but are not limited to market risk, price risk/nature of investment, interest rate risk, liquidity risk, currency risk, emerging market risk, credit risk and other additional risks. Certain aspects of those risks are addressed below.

*Market Risk*

Market risk encompasses the potential for both losses and gains and includes price risk and interest rate risk.

*Price Risk/Nature of Investment*

The Partnership's investments are long-term and highly illiquid and there is no assurance that the Partnership will achieve its investment objectives including targeted returns. Due to the illiquidity of the investments, valuation of the assets may be difficult, as there generally will be no established markets for these assets. As the Partnership's financial instruments are carried at fair value with fair value changes recognized in the Statement of Operations, all changes in market conditions will directly affect the net asset value of the Partnership.

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**(expressed in United States dollars)**

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*Interest Rate Risk*

The Partnership and the Partnership's portfolio companies may invest in fixed income securities and/or debt. Any change to the interest rates relevant to particular securities may result in the inability to secure similar returns on the expiration of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the value of the fixed interest securities will decline. A decline in interest rates will, in general, have the opposite effect.

*Liquidity Risk*

Certain of the Partnership's portfolio companies are privately held. As a result, there is no readily available secondary market for the Partnership's interests in such portfolio companies, and those interests will be subject to legal restrictions on transfer. Therefore, there is no assurance that the Partnership will be able to realize liquidity for such investments in a timely manner, if at all. The Partnership faces liquidity risk from DF, Tandem and Monti.

*Currency Risk*

The Partnership invests in assets and liabilities denominated in foreign currencies which are translated into U.S. dollar amounts at the year-end exchange rates. The value of these assets and liabilities are exposed to fluctuations in the foreign currencies as compared to the US dollar.

*Emerging Markets Risk*

Investments in securities and instruments traded in developing or emerging markets, or that provide exposure to these securities or markets, can involve additional risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments or investments in more developed international markets. For example, emerging markets may be subject to, among other risks, greater market volatility; lower trading volume and liquidity; greater social, political and economic uncertainty; governmental controls on foreign investments and limitations on repatriation of invested capital; lower disclosure, corporate governance, auditing and financial reporting standards; fewer protections of property rights; restrictions on the transfer of securities or currency; and settlement and trading practices that differ from U.S. markets and markets of more developed countries. Each of these factors may impact the ability of the Partnership to buy, sell or otherwise transfer securities, adversely affect the Partnership and cause the Partnership to decline in value.

*Credit Risk*

The Partnership and its portfolio companies may include the acquisition of debt securities. Investment portfolios with debt securities are subject to credit risk. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or

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inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risks may change over the life of an instrument. Securities that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline the market value of such security.

**8. FINANCIAL HIGHLIGHTS**

Financial highlights are calculated for a limited partner unit outstanding for the entire period. An individual limited partner's return and ratios may vary based on timing of capital transactions. The ratios are computed based on the average limited partners' capital, calculated for all limited partners as a group.

**Selected per unit data**

|   |                |
|---|----------------|
| Net asset value, beginning of year                          | \$ 1.50        |
| Income from investment operations <sup>(1)</sup>            |                |
| Net investment loss   | (0.01)         |
| Net realized gain and net change in unrealized appreciation | 0.40           |
| Investment management fee                                   | (0.01)         |
| Net asset value, end of year                                | <u>\$ 1.88</u> |

**Total return**

|              |                |
|--------------|----------------|
| Total return | <u>25.02</u> % |
|--------------|----------------|

**Ratios to average limited partners' capital**

|                    |               |
|--------------------|---------------|
| Operating Expenses | <u>1.24</u> % |
|--------------------|---------------|

|                     |                 |
|---------------------|-----------------|
| Net investment loss | <u>(1.00)</u> % |
|---------------------|-----------------|

(1) Calculated using the average number of units outstanding during the year.

**9. SUBSEQUENT EVENTS**

The Partnership evaluated subsequent events through the issuance of the Partnership's Financial Statements on March 27, 2024.

# Team Dhandho

**MOHNISH PABRAI**

*Chairman & Chief Executive Officer*

## Austin, Texas

**FAHAD MISSMAR, President**

**JAYA BHARATH VELICHERLA, Vice President, Quantitative Analysis**

**KIMBERLY ENGLEMAN, Compliance and Office Manager**

**ANU GUPTA, Admin Team Lead Consultant, MEGHA JAIN, Administrative Consultant,**

**PAULINE JIN, Administrative Assistant, ANURADHA KEDIA, Administrative Consultant**

**Canh Tran, Fund Distribution Manager**

## Dhandho Advisory Board

**TERRY ADAMS, Irvine, California**

**NAVNEET CHUGH, Fullerton, California**

**SRINI PULAVARTI, Los Angeles, California**

## Auditor

**PRICEWATERHOUSECOOPERS**

## Broker & Custodian

**UBS AG, The Desai Group**

**Jefferies, USA & Canada**

**AK Investment, Turkiye**

## General Counsel

**DENTONS US LLP, Chicago**

**CONYERS DILL & PEARMAN, British Virgin Islands**

**FINSEC LAW ADVISORS, India**

**PIETRANTONI MENDEZ & ALVAREZ LLC (PMA)**

## Tax, Accounting & Administration

**MICHAEL J. LICCAR & CO., LLC**

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 Annual Reports 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.

DHANDHO

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