

DHANDHO

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To: All Limited Partners and Investors in Dhandho Holdings
From: Mohnish Pabrai, Managing Partner
Date: July 11, 2017
Re: **Q2 2017 Update**

Dear Partners:

Hope all is well. At 6/30/17, our **estimated** NAV per unit is \$9.45, up approximately 8% year to date, primarily as a result of gain in our holding company stock portfolio. Stonetrust's investment portfolio is now up over \$19 million since Dhandho started managing its assets in January, 2015. A \$19 million increase in the value of our investments in 30 months on a starting surplus of under \$55 million would be the envy of most insurance companies.

Even the not so diligent reader will note that I used the term "estimated NAV" for the first time. We have changed the way we report Dhandho's NAV in order to provide you with the same much closer to quarter end. In the past we waited for Stonetrust to finalize its underwriting results and file its financials with the department of insurance before calculating and disseminating Dhandho's quarterly unaudited NAV. This meant that we could not get you a quarter end NAV for 2-3 months after quarter end. I believe most of you will appreciate this faster "back of the envelope" approach.

When I send you the letter for the next quarter, it will include the final NAV for Q2 2017 and an estimated NAV for Q3 2017. And so on.

The majority of the changes in Stonetrust's book value from quarter to quarter come from changes in the value of the investment portfolio, and not underwriting, and we have the investment results very shortly after quarter end. Thus the main item of the NAV we are estimating is Stonetrust's underwriting results for the quarter. We've assumed a mildly conservative 102% combined ratio projection for underwriting results for Q2 2017 – and if that 102% assumption changes in the future, I'll highlight the same.

Dhandho India Zero Fee Funds

We are on track to launch the Dhandho India Zero Fee Funds next quarter. The India Zero Fee Funds are private funds focused on investing up to 2/3 of assets in India. Stay tuned!

Chai with Pabrai Blog and Twitter

My blog can be accessed here: <http://www.chaiwithpabrai.com/>. And you can follow me on Twitter here: <https://twitter.com/MohnishPabrai>.

Quarterly Investor Statements

At the end of each quarter, Liccar, our fund administrator, prepares and issues 130+ investor statements reflecting the unaudited value of each investor's account in Dhandho Holdings. Additionally, they are sent with a 2 – 3 month delay as they are generated only after Stonetrust files its quarterly Yellow Book.

Since investors are getting an estimated NAV soon after quarter end and a precise unaudited NAV about 12 weeks after that, the statements are redundant. If you know the number of units you own (reflected in all past statement), you can quickly get the total value of your investment. If you ever want to know the number of units you own or their value, just drop a note to our CFO, Fahad Missmar (fm@dhandho-holdings.com)

I'd like to eliminate the quarterly Liccar generated statements and have them do just one annual statement as of Dec. 31 after the audit is finalized. This would result in cost savings of approx. \$3,600 - \$6,000 per year. I want to make sure that virtually all of you are on-board with this new approach. So, if you'd prefer to continue receiving unaudited investor statements within 3 months of quarter end, please email me at mpabrai@dhandho-holdings.com and let me know. If ten or more investors email me to express this preference within the next 2 weeks (out of 130+), we will continue having Liccar produce the statements.

2017 Annual Meetings – Save the Date

There will be two annual meetings held sequentially in Orange County, California & Chicago. These meetings will cover Pabrai Funds, Dhandho Holdings and Dhandho Funds.

Prior to the California meeting on September 9, 2017, we will have the 4th Annual Gran Fondo Dhandho Bike Ride. It's a scenic ride around the Newport Estuary with views of the Pacific Ocean in Newport Beach, California. Biking can be a dangerous activity; we only want folks who are decent bikers on the ride. The ride begins at Starbucks in Newport Beach at 8:15 AM, and ends there around 10:30 AM. For folks that just wanna chill, you can come to the Starbucks at 10:30 AM and hang out with us bikers. Here is a link to the Starbucks location:

<http://www.starbucks.com/store/18175/us/jamboree-bristol/3601-jamboree-road-newport-beach-ca-926602961>

Several out-of-towners have rented bikes from ARB Cyclery over the years. Here is a link to their website: <http://www.arbcyclery.com/>. They have a great selection of bikes and will deliver and pick up the bikes from your hotel. Bikers are best off staying at the Newport Beach Marriott Bayview , as it is less than 0.5 miles from our Starbucks rendezvous point. Here is a link to the hotel's website: <http://www.marriott.com/hotels/travel/npbst-newport-beach-marriott-bayview/>.

I hope you'll join me on Saturday morning to experience some of the magic of Southern California.

The **California** meeting is scheduled to be on **Saturday, September 9th, 2017** at 4:00 PM at:

[Soka University](#)

Performing Arts Center

1 University Drive, Aliso Viejo, California 92656

Tel. +1949.480.4000

Soka University has a spectacular campus nestled in the scenic hills of Aliso Viejo. It is a 20 minute drive from Orange County Airport (SNA), and about an hour drive from LAX.

There is a fantastic Marriott Club Sport hotel about 3 miles from Soka University:

[Marriott Renaissance ClubSport](#)

50 Enterprise

Aliso Viejo, CA 92656

Reservations: 800-468-3571

Phone: 949-643-6700

There are many hotels in the area. Here is a link to other hotels near Soka University:

<http://tinyurl.com/8dmevvu>

The **Chicago** meeting is thus scheduled to be on **Saturday, Sept. 16th, 2017** at 4:00 PM at:

[Carlucci's Restaurant](#)

(The Auditorium)

6111 North River Road, Rosemont, Illinois 60018

Tel. +1847.518.0990

Carlucci's is a five minute taxi ride away from O'Hare airport. [The Marriott Suites O'Hare](#) and [The Westin O'Hare](#) are both next to the restaurant. In addition, there are a plethora of hotels in the vicinity. Good deals on O'Hare hotels are usually available on the major travel-related websites.

Agenda:

4:00 – 4:30 PM: Meet and Greet

4:30 – 6:30 PM: Presentation and Q&A

6:30 – 7:15 PM: Cocktail Hour
7:15 PM: Dinner (Chicago only)

In lieu of dinner in California, we'll have an extended cocktail hour with expanded appetizers (multiple food stations), and lots of tables to sit and chat.

The invites will go out electronically via email in July 2017. Look for it in your inbox! Your significant other and kids of all ages are welcome to attend. As we are now a Registered Investment Advisor, the SEC requires that all guests (excluding family members) must be "accredited investors." The invitation is non-transferable.

I look forward to seeing you in September. Thanks for your continued interest, referrals and support. Feel free to call me at +1949.878.3553 or email me at mpabrai@dhandho-holdings.com with any queries or comments.

Warm regards,

A handwritten signature in black ink, appearing to read 'Mohnish Pabrai', with a long horizontal flourish extending to the right.

Mohnish Pabrai

Appendix

Dhandho Holdings Performance History (Net to Investors)

No. of Units	Date	NAV ¹
14,837,687	03/31/2014	\$10.00
15,218,640	12/31/2014	\$9.93
15,288,640	12/31/2015	\$8.36
15,218,640	12/31/2016	\$8.73
15,218,640	03/31/2017	\$9.31
15,218,640	06/30/2017	\$9.45* <i>estimate</i>

¹ The NAV listed in this chart represents the NAV of Dhandho Holdings LP (“DHLP”), in which the majority of investor’s interests are held. The NAV of Dhandho Holdings Qualified Purchaser LP (“DHQP”) may differ slightly.

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

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