PLURAL INVESTING LLC

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	Partnership (Gross)	Partnership (Net of Fees)	MSCI World Index
2020 (Apr 1-Jun 30)	26.8%	21.5%	18.9%

July 13, 2020

To our Partners:

Plural Partners Fund L.P. delivered a gross return of 26.8% and net return of 21.5% in Q2. Our goal is to deliver returns over a five-year time horizon significantly above global markets.

We are value investors. This means we view stocks as ownership shares of businesses and we invest in businesses that we think are worth substantially more than the price they are trading at. We think of risk primarily as the chance of a permanent loss over a five-year horizon and not the temporary drawdowns in stock prices that occur from time to time. We manage this risk by only investing in businesses selling at a substantial discount to a conservatively calculated intrinsic value and that we would be happy to own if the market was to shut for five years. We hold cash instead when these cannot be found. Stock-price volatility helps us achieve our goals because it often presents opportunities to invest further at even better prices.

The majority of our capital is typically allocated to six to eight of our best investments. These are usually businesses which we estimate to have intrinsic values at least double their trading prices and where we think the risk of a permanent loss is minimal. We look for qualities such as attractive economics, management teams with strong customer focus, capital allocation, and integrity, and cultures which support long term value creation. Our businesses may be mispriced because they are small, receive little coverage, listed on under-researched exchanges, gems in unpopular industries, and/or offer terrific opportunities beyond short term concerns. We develop a research edge over other investors by doing extensive primary research and utilizing quantitative tools. This edge can be significant when we are competing mostly against retail investors or the small positions of larger institutions, which is why we deliberately fish in these waters.

A one-page appendix entitled “Principles of Our Partnership” is attached to this letter. This should give you an idea of what you can and cannot expect from our partnership.

We are finding a significant number of investment opportunities today. While global indices have mostly recovered from their deep losses at the start of the Covid crisis, the medical and economic consequences of Covid-19 remain severe, and there has been a wide dispersion in stock price recoveries. Some of the businesses we know well remain very undervalued and the portfolio is fully invested.

We want to reemphasize that we do not look to 'time the market' and that the portfolio's position does not reflect a view on the market overall. Instead, it reflects our view that there is an opportunity to own a group of businesses worth substantially more than their trading prices and where the risk of a permanent loss is minimal.

Nevertheless, this quarter was exceptional because the economic uncertainty caused by Covid-19 meant that when the fund launched in April there was a chance of financial distress for many of the attractively valued companies in our universe and the risk of a permanent loss for investors. However, we stayed in touch with many of our most favored companies and some of them did have prospects that were sufficiently clear. This resulted in the fund being invested in a small group of businesses that we knew very well, had very resilient balance sheets and strong franchises, were run by good capital allocators with high integrity, and were worth substantially more than their trading prices even in the event of a significant economic slowdown. One of these businesses – Rosetta Stone – is highlighted below. Investing with such strict criteria meant the fund held large amounts of cash in April as stock markets rallied. While we can now look back and say this was a significant opportunity cost to pay, we believe that sticking to our principles was the right thing to do.

As the level of uncertainty reduced, we increasingly found investment opportunities even as stock markets rallied. One of these investments – in Dart Group – is also highlighted below.

Portfolio Allocation	
% of Net Assets by Business Type:	
Consumer	50%
Travel	23%
Real Estate	13%
Special Situations	13%
Industrials	5%
Others	0%
Cash	-4%
	100%
Portfolio Statistics:	
Net Exposure	104%
Long Exposure	113%
Short Exposure	-9%

Rosetta Stone (RST)

Rosetta Stone produces arguably the best software to support kids learning to read. The software in its Lexia subsidiary is now used by 15% of schools in the US and Covid-19 is acting as an unprecedented catalyst to stimulate further adoption. We think investors underappreciate how attractive the economics of Lexia are. We invested in the business at around $13-14/shr, it trades at $17/shr today, and we think it is worth over $30/shr.

The company makes no GAAP earnings today and so while bookings for Lexia software have grown at 20-25% per year it is easy to argue that the company makes no money. However, we think Lexia actually makes a 25% EBIT margin today, but chooses to reinvest its earnings in marketing spend to acquire more users. We estimate this reinvestment generates a near 30% IRR net of all incremental costs and so are delighted to see management make growth expenditures like marketing even though they get booked as operating costs which result in GAAP operating losses.

Such an attractive IRR is possible due to the company's outstanding culture and management's focus on delighting their customers. This enables the company to keep producing best-in-class products that are upsold to existing customers at high margins. We think the company's competitive position continues to improve as it expands its product suite and becomes more ingrained into a school's curriculum. We estimate Rosetta will generate $2.5/shr in normalized earnings (before growth investments) in five years' time, implying a 15% yield on today's stock price while still growing at 20% per annum.

Even though the company's prospects have benefited substantially from Covid in our view, the stock was down nearly 50% in February and March, which allowed us to opportunistically build a significant position in early April.

We think other investors substantially underappreciate the potential impact of Covid-related opportunities and the way the company has responded to them.

Capitalizing on the fact its Lexia software can be used from home, the company announced a 'Learn From Home' program which made its products available for free until the end of the school year to schools that it didn't already serve. This more than tripled the number of schools using Rosetta's most valuable program and is a great way for the company to do good while also showcasing its product for little marketing cost.

The purchase of educational software is unfortunately highly political so while Rosetta has the best software it often takes years to convince politicians and teachers to pilot it even with a few schools. When these pilots do take place 80-90% of schools typically choose to pay for the software permanently. While retention from the 'Learn From Home' program will obviously be far below these levels, this is nevertheless a breakthrough moment for online learning and Rosetta in particular. The company's generosity is also creating substantial goodwill – this is intangible and hard to quantify but, make no mistake, is incredibly valuable to the company.

While we have quantified Rosetta's strengths, many of its most valuable assets - the quality of its products, culture, management, and goodwill – are qualitative in nature. We think these require deep research to appreciate fully and that this is why the stock is mispriced.

Dart Group (DTG.L)

Dart Group is a UK based low-cost package holiday and airline business. The company is run by its founder Philip Meeson, who owns 33% of the business. Mr. Meeson has exceptional customer focus, high integrity, and focuses on long term value creation when allocating capital. He has done an outstanding job of compounding value over time with Dart succeeding as a low-cost entrant profitably taking share from legacy players. The company has gone from being a startup a decade ago to having 14% market share today. Dart's stock price multiplied nearly 30x in that time until this year when it fell 90% due to Covid. We invested in the business at around £5/shr, the stock trades at £8/shr today, and we think it is worth around £25/shr.

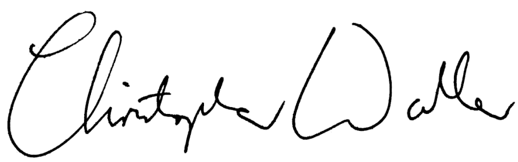
Dart is an example of a business that we viewed as hard to invest in in April due to the possibility we would suffer a permanent loss. That changed in May due to three pieces of news: the announcement that the company had secured £300mm in Covid financing from the Bank of England, both Dart and their biggest competitor TUI reporting results that offered clarity on likely cash outflows, and the EU making a big push to ensure some level of summer tourism. Together, these meant that Dart was likely to survive until Easter 2021 even with no travel at all.

With flights from the UK to European holiday destinations beginning to resume in July, Dart is likely to be worth multiples of the price we paid and its stock price today. For context, the company generated around £1.5/shr in earnings pre-Covid having compounded at 35% per annum for five years. With most of its competitors in distress and its second-largest competitor Thomas Cook already exiting the market late last year, Dart's resilient balance sheet and low costs are likely to result in it having a far stronger competitive position than pre-Covid. Although Covid will be costly in the interim, we think Dart will emerge in three years with greater earnings power. We also think that while the stock price is likely to be volatile as sentiment fluctuates, the business is worth substantially more than today's stock price and the risk of a permanent loss is limited.

We see many possible investment opportunities in our research pipeline and are working hard to take advantage of them.

Please do not hesitate to contact us at chris.waller@pluralinvesting.com.

Best Regards,



Chris Waller
Portfolio Manager

Principles of Our Partnership

I take the trust you place in me very seriously and view this as a partnership. These principles are inspired by a similar letter Warren Buffett wrote in 1962 to his partners at the beginning of their partnership. They are my attempt to be up-front about what I can and cannot promise you, and what I ask from you in return:

1. Success for the fund in five years' time is delivering a substantially higher return than global stock market indices, rather than how many clients or assets are under management. The investment approach and my time are allocated accordingly.
2. I cannot guarantee that the fund will achieve this success. However, I can promise that the vast majority of my liquid net worth will be invested alongside you.
3. The fund will only invest in businesses that I estimate are worth substantially more than the price they are trading at.
4. The fund will only invest in businesses that I would be comfortable owning if the stock market were to shut for the next five years and we had to hold on.
5. I will view the risk of each investment as the chance we lose money over that five year period and not the volatility or beta of the stock price in the meantime. Indeed, I can promise you that the price of our investments will decline 20% from time to time.
6. I will judge the returns of the fund over five year periods.
7. Nobody gets every investment decision right. I will be up-front about mistakes made.

What I ask from you:

1. You should only invest an amount where your sleep will be completely unaffected when the fund has a 20% drawdown. This may mean the right decision is not to invest at all.
2. While I would like you to also judge the performance of the fund over a five year period, three years is the absolute minimum required. I would strongly counsel against reading much into quarterly results as prices are often driven by emotions in the short run. Our patience is essential if we are to let the volatility of prices serve us rather than guide us.

Yours sincerely,

Chris Waller
Portfolio Manager

Important Disclosures

This material does not constitute an offer or solicitation to purchase an interest in Plural Partners Fund LP (the Fund"), or any related vehicle. Any such offer will only be made via a confidential private placement memorandum. An investment in the Fund is speculative and is subject to a risk of loss, including a risk of loss of principal. There is no secondary market for interests in the Fund and none is expected to develop. No assurance can be given that the Fund will achieve its objective or that an investor will receive a return of all or part of its investment. This material is confidential and may not be distributed or reproduced in whole or in part without the express written consent of Plural Investing LLC (the "Adviser").

The performance results shown and discussed herein represents the performance of the Fund, a vehicle managed by the principal of the Adviser (the "Principal"). The Fund began trading on April 1, 2020. "Gross" results shown reflect the deduction of transaction costs actually incurred but are before management fees or performance allocation were incurred. "Net" results shown reflect the deduction of a 1.0% per annum management fee and 20.0% performance allocation.

Results are compared to the performance of the MSCI World Index, or similar indexes (collectively, the "Comparative Indexes") for informational purposes only. The Fund's investment program does not mirror the Comparative Indexes, and the volatility of the Fund's investment program may be materially different from the volatility of the Comparative Indexes. The securities or other instruments included in the Comparative Indexes are not necessarily included in the Fund's investment program and criteria for inclusion in the Comparative Indexes are different from those for investment by the Fund.

The positions presented and discussed herein represent investments in the Fund as of the date listed. These positions are presented for informational purposes only to demonstrate a portfolio allocation of the Principal as of a recent date. Results of large "contributors" to the Fund's returns are also included for informational purposes only. No representation is being made that the Fund will or is likely to hold the same or equivalent positions or allocations in the future.

Certain information contained in this presentation is derived from sources believed to be reliable. However, the Adviser does not guarantee the accuracy, completeness, or timeliness of such information and assumes no liability for any resulting damages. Due to the ever-changing nature of markets, the deductions, interrelationships, and conclusions drawn from historical data may not hold true in the future.

This material contains certain forward-looking statements and projections regarding market trends, Fund allocation, and investment strategy. These projections are included for illustrative purposes only, are inherently speculative as they relate to future events, and may not be realized as described.

These forward-looking statements will not necessarily be updated in the future.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.