PLURAL INVESTING LLC
99 Wall St, Suite 1101, New York, NY, 10005

	Partnership (Gross)	Partnership (Net of Fees)	MSCI World Index
2020 (Apr 1-Dec 31)	121.3%	97.1%	46.8%
2021 (Jan 1 – Mar 31)	11.1%	8.9%	4.9%
Annualized	145.9%	114.6%	54.0%

April 14, 2021

To our Partners:

Plural Partners Fund L.P. delivered a gross return of 11.1% and net return of 8.9% in Q1. Our goal is to deliver returns over a five-year period significantly above that of global markets.

We are value investors. We invest in businesses that we believe are worth substantially more than the price they are trading at. We think of risk primarily as the chance of a permanent capital 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 trading 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 therefore welcome stock price volatility as it often presents opportunities to invest further at even better prices. When such opportunities cannot be found we hold cash instead.

The majority of our capital is typically allocated to our six to eight best investments. We look for qualities such as attractive business economics, management teams with strong customer focus, capital allocation and integrity, and cultures which support long term value creation. Our businesses may be 'hidden gems' because they are small, receive little coverage, listed on under-researched exchanges, operating in unpopular industries, 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. The portfolio is fully invested as a result and we are in the pleasant position of having to find 'room' for new investments. As usual, being fully invested is not the result of an explicit forecast of macro events.

Portfolio Allocation	
% of Net Assets by Business Type:	
Consumer	57%
Travel	17%
Real Estate	16%
Special Situations	12%
Industrials	0%
Others	0%
Cash	-3%
	100%
Portfolio Statistics:	
Net Exposure	103%
Long Exposure	108%
Short Exposure	-5%

Texhong Textiles (2678.HK)

Texhong is a manufacturer of textiles, primarily stretchable yarns that are used to make spandex. We invested in June 2020 at $6/shr, added to our position this January at $7.9/shr, and recently sold out at $12.2/shr and $13/shr. We continue to think intrinsic value is over $17/shr but sold to fund new and more attractive investments. The stock is listed in Hong Kong and at the time of our initial investment had a market cap of US$700mm and typical daily trading volume of US$500k/day.

The company was founded by Mr. Hong over 20 years ago, who still owns over 60% of the shares and is CEO. He has done an excellent job. Mr. Hong has high integrity, strong customer focus, and has stewarded the company to 15% ROCEs in a competitive industry where businesses typically destroy value.

Texhong has been successful for two reasons. First, the company is very well run. This enables it to produce a large volume of yarn while maintaining consistently high quality, quick delivery times, and good after-market service. That enables it to charge premium prices, which we estimate are responsible for around 60% of the company's supernormal profits.

Secondly, Mr. Hong made the good decision in 2006 to start shifting production away from China and towards Vietnam. Today, half of production is based in the latter and comes at a lower cost. Vietnam has access to international cotton prices, which tend to be 20% lower than Chinese domestic cotton prices. This is important because cotton is the majority of the cost of producing yarn. Vietnam also has lower labor and utility costs. We estimate geography is responsible for 40% of Texhong's supernormal profits.

Mr. Hong is now leading the company through another positive transition. Most of the capital generated in the last few years has been reinvested into building downstream facilities in Vietnam such as woven fabrics, dyeing, and finishing. That business is likely to generate closer to 30% ROCEs and is likely to be larger than the upstream yarn business a decade from now.

There is also a strategic benefit to being vertically integrated. Consumer demands for 'fast-fashion' mean that Texhong's order book is only 3 weeks long and getting shorter. That forces Texhong to keep half their production in China and accept lower returns to be close to their downstream customers. With vertical integration in Vietnam this will change, allowing them to allocate all capital to higher returns in Vietnam, increase delivery speeds, control quality, and avoid tariffs.

Despite a seemingly impressive story, Texhong's stock price had fallen from $12/shr in mid-2019 to $5/shr by mid-2020. This implied an EV/NOPAT of 4.3x using our estimate of earnings power in three years' time. Given the significant but manageable debt the company had taken on to fund its investment downstream, that translated into a P/E of 2.5x. We believed liquidation value was $6.5/shr and intrinsic value was over $17/shr.

The reason for the stock's decline was likely that investors were too focused on short term macro events, all of which became headwinds for Texhong. In addition to a general downturn triggered by Covid-19, cotton prices were falling, the US/China trade war was ongoing, and the RMB continued to weaken against the US dollar.

We made our initial investment in June, 2020 at $6/shr because we believed that intrinsic value was over $17/shr despite these headwinds. We invested further in January, 2021 at $7.9/shr when it became clear that all of these were receding or becoming tailwinds. Fortunately, investors began to recognize this soon after.

While we continue to think intrinsic value is over $17/shr, we sold out at $12.2/shr and $13/shr to fund new investment opportunities that are considerably more attractive.

<u>Jet2 (Jet2.L)</u>

Jet2 is a UK based package holiday business that also operates its own airline. The company is run by its Founder and Chairman Philip Meeson, who owns 22% of the business, CEO Steve Heapy, and CFO Gary Brown. All three have high integrity, exceptional customer focus, and concentrate on long term value creation when allocating capital. They have done an outstanding job, with Jet2 succeeding as a value-for-money entrant that is profitably taking share from legacy players. The company's tour operation has gone from being a startup a decade ago to having 14% market share today. We invested in the business at around £5/shr, the stock trades at £13/shr today, and we think it is worth £25/shr or more.

Our investment faced a couple minor disappointments this quarter.

The first was Jet2's decision in February to issue 35.8mm shares, which increased the share count by 20%. This raised £422mm in cash and further strengthened the company's balance sheet, but we felt it should have been smaller.

According to management's projections, even if the company flew no customers at all and raised no cash from other sources the company could have survived until the end of August. In fact, Jet2 had already previously qualified for a £200mm low-interest loan from the Bank of England which was excluded from these projections. The loan has since been re-confirmed.

After the issuance, our estimate is that Jet2 can survive until July 2022 with no customers at all. And while the implications of Covid-19 are hard to forecast, we are continuing to gain clarity and see a very bright future ahead.

Studies increasingly show that vaccines substantially reduce transmission and have a reduced but still impressive efficacy against variants of Covid-19. The UK has done a good job with its vaccine rollout while in Israel cases are down 97% from their recent peak despite life having returned to some degree of normality.

That is now translating into an improving picture for travel companies.

In the United States, American Airlines reported in March that recent bookings are 80% of 2019 levels. Given that US leisure travel is typically only 45% of their revenue, it is likely that those bookings are up vs 2019. In Europe, TUI recently reported that while bookings continue to be slow, prices for this summer are up 22% as customers are choosing to book longer and more luxurious holidays.

At some point, Jet2 is likely to emerge from Covid-19 as the leading UK travel company, with a strengthened position in the customer's mind and enhanced list of hotel partners. As customers rush to book holidays, the company is likely to benefit from both higher prices and a lower cost base. That should result in record profits.

Whether this 'bumper summer' happens in 2021 or 2022 is not important to the long-term intrinsic value of Jet2. Nevertheless, the second disappointment this quarter was the UK government's plans for travel this summer.

The travel taskforce report lacked detail on how countries would be classified as 'red', 'amber' or 'green' risks for travel. More specifics such as the number of Covid-19 cases per 100 people for countries in each category would have helped customers and travel companies plan. An illustrative list using data as of today would also have been helpful.

It was also disappointing to see that even vaccinated customers going to 'green' light countries will have to take two tests, with the second being a PCR test. The cost of a typical PCR test has reduced from over £100 a couple weeks ago to as low as £60 in the last few days, which will add ~7% to the cost of an average Jet2 holiday. That cost is unlikely to be prohibitive for summer bookings given customers have shown they are willing to pay 20% more but is certainly unhelpful.

Despite these setbacks, we continue to think Jet2 will be earning £1.5-£2.5/shr in three years' time as it emerges from this crisis with a significantly strengthened competitive position. With customers enthusiastic for travel, the company may earn substantial profits in the interim rather build progressively back to normalized earnings.

The dial-in details for our quarterly call are attached on the next page.

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

Best Regards,

Chris Waller
Portfolio Manager

Dial-In Details for Quarterly Zoom Call

Time: May 4, 2021. 11am Eastern time / 4pm UK time.

Join Zoom Meeting:

https://zoom.us/j/93380367638?pwd=RUVmZHA2S0dyTEZjMVBOdjk2cDNYZz09

Meeting ID: 933 8036 7638

Passcode: 754404

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

Performance Comparison

	Partnership (Gross)	Partnership (Net of Fees)	MSCI World	MSCI World Small Cap Value	S&P 500	HFRX Global Hedge Fund
2020[1]	121.3%	97.1%	46.8%	58.0%	46.7%	14.7%
2021[2]	11.1%	8.9%	4.9%	13.0%	6.1%	1.3%
Annualized	145.9%	114.6%	54.0%	78.5%	55.6%	16.2%

[1]Results for 2020 represent the total return of the Fund and Comparative Indexes from April 1, 2020 to December 31, 2020.

[2]Results for 2021 represent the total return of the Fund and Comparative Indexes from January 1, 2021 to March 31, 2021.

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 Net Return Index, or similar indexes (collectively, the "Comparative Indexes") for informational purposes only. Returns data for the HFRX Global Hedge Fund Index are from source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2021 Hedge Fund Research, Inc. All rights reserved. Past performance is not necessarily indicative of future trading results. 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.