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 – Jun 30)	29.9%	23.9%	13.0%
Annualized	132.7%	104.2%	49.9%

July 12, 2021

To our Partners:

Plural Partners Fund L.P. delivered a gross return of 16.9% and net return of 13.8% in Q2. 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 and management teams who possess and foster a culture of high integrity, customer focus, and prudent capital allocation. 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 those 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 continue to find 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	67%
Travel	13%
Special Situations	13%
Financials	9%
Real Estate	0%
Industrials	0%
Others	0%
Cash	-2%
	100%
Portfolio Statistics:	
Net Exposure	102%
Long Exposure	104%
Short Exposure	-2%

Asian Real Estate Business

We sold out of the Asian real estate business we discussed in our Q4 2020 letter this quarter. The stock had appreciated around 100% since our initial investment in April 2020. Despite exiting, we refrain from explicitly naming it because it remains an undervalued small cap and we do not want to increase investor interest in the stock. We sold out to fund more attractive investments but could conceivably invest again in future.

At the time of our initial investment, we estimated that the stock was trading at just 30% of the business's NAV, estimated using comparable market prices for the properties it owns. This discount to intrinsic value probably existed because the stock has almost no sell-side coverage, limited liquidity, and is mostly owned by the founding family.

Yet rather than being a 'value trap', the founding family looked to highlight how undervalued the business was by spinning off around half the properties into a private fund. These were sold at fair market prices and over the last six months the stock has risen as investors recognized more of the company's intrinsic value.

Following the spin-off, for every $1 in share price today the company owns around $0.5 in net cash, $0.8 in properties, $0.4 in complimentary businesses at a conservative valuation, minus a liability of $0.1 if corporate costs are capitalized at 10x. This puts intrinsic value today around $1.6/shr while the company continues to earn $0.1/shr per year.

The stock therefore still trades at just 60% of NAV.

The remaining half of properties are like to be sold to the private fund at similarly fair market prices, but we expect those sales to occur gradually as those properties are newer and it will take time to bring them up to high levels of occupancy. We expect future sales to continue to move the stock towards intrinsic value but have exited to fund better investment opportunities.

Jet2 (Jet2.L)

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 £12/shr today, and we think it is worth £25/shr or more.

Our thesis is based on a calculation of Jet'2 long-term intrinsic value as it emerges from Covid as the UK's leading package holiday company, rather than views on the short-term outlook for travel. That perspective has proved particularly important in the last few months and patience may be required for some time to come.

While many US travel businesses are seeing record sales following a successful vaccine rollout that has fueled a 'roaring 20s' atmosphere, the opposite has been true in the UK despite even higher vaccination rates.

The difference has been government policy rather than underlying consumer demand, which appears to be at record levels in the UK also. Regardless of one's views on appropriate approach to travel policy during Covid, what has been most frustrating is that the UK government's approach for decision making appears to change on a regular basis.

Rather than stick to a 'low-risk' approach like Australia or 'medium-risk' approach like the US, the UK's inconsistency has caused unnecessary damage to the travel industry and consumers. That worsened this quarter.

In April, the UK government outlined a 'medium-risk' approach to classify countries as green, amber, or red based on variables such as the number of Covid cases and variants of concern. A green watch-list would highlight green list countries that were at risk of dropping to amber. This was designed to prevent the chaos of last summer where countries moved from green to amber at such short notice that consumers were left with days – or hours – to find a way home. The green list was revealed on May 7.

Yet despite cases in the European Union reducing 63% and vaccination rates rising 7%[1], virtually all accessible green list countries were abruptly removed on June 3. There was no use of the green 'watch list' and consumers were once again left scrambling to find a way home. This suggested the government's decision making process had fundamentally shifted.

Three weeks later this reversed abruptly again. 16 countries were added to the green list, making it far larger than before. A few days later, it was even announced that fully vaccinated people return from amber countries without quarantining. In the space of four weeks, the UK went from a 'medium-risk' approach to one of the most restrictive ones and then one of the most open.

This inconsistency has caused significant damage to the travel industry and consumers. Providing travel services is not something that can just be switched on or off. Planes have to be refreshed, pilots and crew retrained, hotels prepared, and staff hired. That all involves significant costs. A consistent 'low-risk' approach like Australia's would likely have been better for travel businesses.

Perversely, a weakening travel industry may work in Jet2's favor in the long term. The company has a very strong balance sheet and as competitors are forced to close or reduce operations Jet2 will take market share.

---

[1] https://ourworldindata.org/covid-vaccinations

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 market share, reputation, customer loyalty, list of hotel partners, and airports to fly from. With people enthusiastic for travel, the company is likely to earn very substantial profits once travel reopens rather than 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: August 3, 2021. 10am Eastern time / 3pm UK time.

Join Zoom Meeting:

https://zoom.us/j/99154316973?pwd=RDNtamV1aGptUmJhZVc5ZUtqN0x3UT09

Meeting ID: 991 5431 6973

Passcode: 976047

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]	29.9%	23.9%	13.0%	18.2%	15.6%	3.7%
Annualized	132.7%	104.2%	49.9%	64.8%	52.3%	14.9%

[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 June 30, 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.