PLURAL INVESTING LLC

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	Partnership (Gross)	Partnership (Net of Fees)	MSCI World Index
2020 (Apr 1-Dec 31)	121.3%	97.1%	46.8%
2021	37.4%	29.9%	21.8%
2022	-15.7%	-15.7%	-5.2%
Annualized	60.1%	46.9%	30.2%

April 19, 2022

To our Partners:

Plural Partners Fund L.P. delivered gross and net returns of -15.7% 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 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.

Q1 saw several of our investments experience drawdowns. While one of these businesses reported disappointing results, the others saw their fundamentals remain the same or even improve significantly. We took the chance to add to our positions in the most attractive cases.

The volatility in markets has also resulted in several businesses we admired but did not own see their stock prices more than halve. That has presented several potential investment opportunities that we are doing due diligence on.

The portfolio is fully invested for these reasons. 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%
Payments	19%
Travel	7%
Industrials	5%
Special Situations	-1%
Others	0%
Cash	2%
	100%
Portfolio Statistics:	
Net Exposure	98%
Long Exposure	108%
Short Exposure	-10%

Texhong Textiles (2678.HK)

Texhong is the world's largest producer of stretchable yarn, and has also been building a downstream business that turns its yarn into garments. The company is run by its Co-Founder and Chairman Tianzhu Hong, who owns 52% of the business, and his Co-Founder and CEO Yongxiang Zhu. They have steered the company to an acceptable 20 year record of 15% post-tax returns on tangible capital, while treating minority shareholders well in the process. The company's competitive advantages are its management and low-cost production in Vietnam. The stock trades on 4x trailing EV/EBIT and 2x our three-year estimate, versus it's historic average of 8x. We invested earlier this year at around HK$10/shr, the stock trades at HK$9.5/shr, and we think it will be worth HK$35/shr or more in three years' time.

Investing in Texhong earlier this year turned out to be poor timing, as Russia's invasion of Ukraine and the subsequent sanctions placed on it led investors to re-evaluate the risks of investing in China. Despite this, the stock is almost flat versus our cost basis as the market reacted well to the company reporting record earnings of HK$3.6/shr.

Pleasingly, Texhong's management continue to actively take steps to both mitigate the 'China risk' and make the intrinsic value of the business clearer. To do this, Texhong will separate into two companies over the next twelve months or so.

The first company - or 'GoodCo' - will include the garments business based in Vietnam, and enough Vietnam yarn production to make it self-sufficient. The relatively small Nicaragua and Turkey businesses will also be included. The GoodCo will therefore have no ties to China and almost all its customers will be marquee US brands such as Ralph Lauren. It will also be one of the highest quality businesses in the textiles industry, with low costs in Vietnam, vertical integration, a global network to reduce delivery expenses and mitigate the risks of tariffs, excellent management, returns on tangible capital of around 20% post-tax, and sales growth of over 25% per year. The GoodCo should therefore be protected from any 'China risk' and its separation into an independent company should highlight that to investors.

The 'BadCo' will include the remaining China and Vietnam yarn businesses. While a lot of these operations are in China they only serve domestic Chinese customers and so are also insulated from any sanctions on Chinese businesses. Nevertheless, it is likely to fetch a lower valuation.

We don't have much further information at this stage on what the financials for the two companies will be, but our guess is the shares will be split 65% to the BadCo and 35% to the GoodCo. We believe separation of the 2 businesses will increase investor transparency and is another move by management to highlight the attractive intrinsic value of the group. We believe the GoodCo will be worth more than what the whole of Texhong trades for today.'

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 £13/shr today, and we think it is worth £25/shr or more.

It appears that this year will finally see the first 'post-Covid' summer, and we expect that will result in record earnings for Jet2. The company has 14% more seat capacity on sale for this summer than in 2019, and our data suggests the current rate of bookings is well above that. Many other leisure travel businesses are also reporting bookings above 2019 levels.

Two factors mean that earnings should increase significantly more than seat capacity.

First, customers are booking longer and more luxurious holidays, which is likely to be a reaction from having been restricted for two years. That results in a significantly higher price per booking. TUI – Jet2's closest competitor – has reported prices 22% above 2019 levels.

Secondly, more customers are booking Jet2's package holidays rather than just flights. This is likely to be a result of the excellent customer service Jet2 generally displayed throughout the pandemic, such as by offering automatic refunds in the case of a cancellation. The combination of making it easy for customers to receive a refund and Jet'2 traditionally good value-for-money offering means that customers have certainty over the cost of their holiday when booking a package.

Jet2's seats were split around 50-50 between package holiday and flight-only customers pre-Covid, and management say that package holidays are currently 12 pts higher in that mix. That is a material improvement because a flight-only customer typically spends around £110 on their ticket and ancillaries, whereas a package holiday customer spends around £800. That adds nearly 10% to sales growth and comes at a higher margin.

One concern in the short term is the impact of higher oil prices. While that is unhelpful, Jet2 has hedged 95% of its fuel for the summer at lower prices and fuel only makes up around 10% of Jet2's cost base. That is because most of the company's revenues are from package holidays rather than flights and so the company's biggest cost is sourcing accommodation, which makes up around one-third of its costs. We do not expect that higher oil will prevent this summer resulting in record earnings.

Our thesis continues to be based on a calculation of Jet'2 long-term intrinsic value as it emerges from Covid as the UK's leading package holiday company. We estimate that the company 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.

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 Call

Time: May 3, 2022. 10am Eastern Time / 3pm UK time.

Join Zoom Meeting

https://us06web.zoom.us/j/84586955834?pwd=RFU3MnRzU1Nqck1KdmlsWEF0TFZjQT09

Meeting ID: 845 8695 5834

Passcode: 678123

Dial by your location

+1 929 436 2866 US (New York)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

Find your local number: https://us06web.zoom.us/u/kX0BMgYYy

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	37.4%	29.9%	21.8%	21.1%	28.7%	3.7%
2022	-15.7%	-15.7%	-5.2%	-2.0%	-4.7%	-1.4%
Annualized	60.1%	46.9%	30.2%	36.9%	34.1%	8.3%

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

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, © 2022 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.