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	-38.2%	-38.2%	-25.4%
Annualized	28.7%	20.1%	12.2%

October 12, 2022

To our Partners:

Plural Partners Fund L.P. delivered a return of -3.1% in Q3. 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 shut for five years. We 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.

The portfolio's drawdown so far this year has been a result of both our decisions and a difficult macro environment. Below, we describe in detail a mistake we made to invest in Redbubble. Nevertheless, our other major investments have been larger detractors to performance, yet nearly all these companies are in positions largely in line with or better than our expectations at the beginning of the year. These businesses trade for just 5x our estimate of net profits in three years' time, will likely still be growing earnings well into the double digits at that point, have virtually no debt, earn post-tax returns on tangible capital of 30%+ today, and have an average insider ownership of 24%.

We believe the prices of our companies have drawn down as a result of stock market declines outside the US, which are particularly important to the fund because around 75% of the portfolio has been invested in non-US stocks year-to-date. Weakening currencies vs the US dollar have also cost the portfolio around 11%.

The UK's small cap AIM index, for instance, declined 33% through the end of Q3, while the British pound has declined 18% vs the dollar. That has resulted in a cumulative 45% decline in US dollar terms, which has impacted our investments in Motorpoint and Jet2, and made Motorpoint the biggest detractor to the portfolio this year. We profiled both companies in our Q2 letter and continue to believe they are in a stronger position now than at the beginning of the year, although a weak UK economy will depress profits in the near term. We expect those competitive positions will be far more important drivers of their share prices over time.

Similarly, the German SDAX small cap index has declined 38% this year while the Euro has depreciated 14% vs the dollar, resulting in a cumulative 47% decline in US dollar terms. The portfolio's second largest detractor is a German small cap and we remain excited by its prospects and profits over the coming years.

Although these drawdowns are frustrating, it is essential that we take advantage of them as whether we capitalize on them or not is likely to have a big influence on our returns over the next few years. For these reasons, we have adjusted our position sizes in several cases. We expect that will be rewarded when macro conditions calm and the earnings of our companies continue to grow.

Portfolio Allocation	
% of Net Assets by Business Type:	
Consumer	56%
Payments	30%
Travel	9%
Special Situations	-8%
Others	0%
Cash	13%
	100%
Portfolio Statistics:	
Net Exposure	87%
Long Exposure	100%
Short Exposure	-12%

Redbubble (RBL)

Redbubble is an online marketplace where ~1mm artists upload designs that consumers can buy printed on over a hundred possible products like t-shirts, hoodies, stickers, mugs, or canvases. This print-on-demand model gives each consumer billions of potential design and product combinations, allowing them to pick an item uniquely suited to their specific interests. Redbubble does not require any tangible capital to operate as printing and delivery is outsourced to a network of fulfillers. The company's sales growth averaged ~30% p.a. before Covid and was further boosted by the pandemic, with the majority of sales taking place in the

US. The company's founder still owns 19% of its shares today and handed over the CEO position in 2021 to Michael Ilcyznski, who we believe is a good or excellent CEO. We invested in late 2020 at A$4.5/shr and sold out this quarter at A$1.0/shr. Unlike our other investments, we believe this decline reflects mistakes we made rather than external conditions.

We made several mistakes in our analysis, including:

- Underestimating the likelihood of a complete business failure given the risks we did identify, and especially Redbubble's vulnerability as it tried to transition from a successful concept to a marketplace with scale.
- Underestimating how weaknesses in the quality of the product and customer satisfaction left the marketplace vulnerable to a change in industry conditions.
- Thinking of competition in too narrow a sense.

As part of our initial research we had 28 conversations with industry professionals, including former employees, competitors, fulfillers, and former colleagues of the new CEO. We published a 50-page report to these sources, which included an executive summary that we are reproducing here as it highlights our thinking at the time and the mistakes we made:

> Redbubble is probably the next Etsy. With attractive economics, a growing competitive advantage, and a long runway to grow profitably, we estimate the business' intrinsic value in three years to be around A$14.5/shr, making the stock substantially undervalued today. The sources of this undervaluation are likely to be that Redbubble remains relatively unknown among investors and investors underappreciate its competitive strength.
>
> Over 15 years, Co-Founder and CEO Martin Hosking has built Redbubble into a marketplace of over one million artists. The resulting number of designs when coupled with Redbubble's search algorithm attracts consumers who increasingly want personalized choices. This scale is the company's competitive advantage and is growing.
>
> That has resulted in compelling economics. The business requires no tangible capital, benefits from two-sided network effects that fuel self-sustaining growth, and we estimate will ultimately earn Redbubble a 13% EBIT margin. Senior management own nearly 20% of the company and so are aligned with shareholders.
>
> Despite this, in our judgement Redbubble has yet to reach a crucial tipping point. This is where it has a critical mass of customers which in turn attracts more artists and better fulfillment that further attracts more customers and so on, making it very difficult to be displaced. This point is likely to take five or more years to reach and Redbubble remains vulnerable to significantly more risks than a typical investment of ours until then. We put these into three categories:
>
> The first is competition from Amazon, Etsy, smaller marketplaces and ones that have not even been invented. Nevertheless, we think investors overestimate the threat of Amazon, which is designed around selling products at mass volume and so prioritizes displaying generic items to customers rather than the personalized print-on-demand items that Redbubble specializes in.
>
> The second risk is a changing environment. These changes could be to consumer tastes, the Google search algorithm, and/or the interpretation of copyright law.
>
> The third risk is execution. Five members of senior management have departed Redbubble since the beginning of 2019 and the company is searching for a new CEO to replace Hosking, who has returned temporarily. The company has mis-executed over

> the last couple years, seen its culture drift, and not focused enough on the customer. We are pleased that Redbubble is looking for a CEO who will focus on improving customer growth and loyalty.
>
> Previously dominant print-on-demand marketplaces CafePress and Zazzle faded away before reaching critical mass after these risks materialized. If Redbubble were to follow the same path we estimate it would be worth as little as A$2.3/shr.
>
> The key question then is "Is Redbubble the next Etsy or CafePress?". To become the next Etsy, Redbubble must improve the customer experience. It has enormous and easy opportunities to spend an extra $2 on blanks, say no to bad fulfillers, and do basic marketing. Whether these are taken or not will be determined by the next CEO – Mike Ilczynski.
>
> Despite an extensive investigation, the risks above mean we can only say that Redbubble is 'probably' the next Etsy.

While our work correctly identified several important risks that Redbubble faced and we sized it as our smallest core investment as a result, we should have avoided investing entirely. We got our base rates wrong by underestimating the likelihood that Redbubble has a complete business failure given those risks.

Too much of our thinking was with the mindset of a financial analyst, focusing on the company's past economics and extrapolating financial results into the future. While we did think the quality of the product and knew that customer satisfaction and competitive advantages were weaknesses for Redbubble, it was easy to gloss over because the company had grown at 30% per year despite this and had a new CEO deliberately working on these areas. We should have placed a greater emphasis on the qualitative factors.

Had we done so, we would have better recognized that Redbubble has never developed a meaningful relationship with most of its customers, with people typically coming across it by chance when searching Google for a t-shirt. And only ~20% of new customers are typically satisfied enough to return after twelve months, while the ones who come back generally do so only once or twice a year. This lack of customer loyalty has ultimately resulted in Redbubble losing most of the customers it gained during the Covid pandemic.

It has also left the company vulnerable to a changing environment. We assumed that Redbubble's main competitors were other marketplaces like Amazon and Etsy, when in fact any retailer selling t-shirts and similar items is a competitor. That competition became increasingly fierce as the environment has changed, especially with Apple phasing out third-party cookies as that led to retailers switching their advertising to compete with Redbubble's traditional marketing channels.

This has significantly increased the competition facing Redbubble as it relies on marketing rather than the quality of its product to attract customers, and the company is in a poor position to cope given its lack of customer loyalty and scale. As time has passed Redbubble's underlying growth rates have deteriorated to the point where it is no longer clear whether it will return to meaningful growth at all. And in an industry where scale and customer loyalty are the key determinants of success, the business risks are now too great for us to be invested. For that reason, we sold all our shares this quarter.

<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. We invested in the business at around £5/shr and the stock trades at £7/shr today having declined 50% from its high earlier this year. We had sold over half of our position around the highs and added back all of those shares over the last couple quarters as the stock declined. We think the shares will be worth £25/shr in three years.

The stock continued to decline this quarter as rising energy and mortgage costs in the UK left investors concerned about the outlook for Jet2's earnings next summer. These developments will undoubtedly have a negative impact on consumer spending, although so far the pent-up demand for travel continues to outweigh this, with record bookings and pricing for this summer and winter and companies reporting that the travel rebound still continues at pace.

Yet the results from last summer or next summer are largely noise in determining the value of Jet2. The stock has increased from 70p/shr a decade ago to £7/shr today and £17/shr before Covid, which has been driven by industry leading customer satisfaction causing the company's market share in package holidays to grow from 2% to 20%.

Jet2's lead in customer satisfaction has continued to expand with how it treated customers during the pandemic. And this summer, it operated the only airline not to cancel a flight. That has led to record bookings, which we expect will be beaten again next summer.

In our experience, potential investors in Jet2 almost always focus on short term macro factors. On a recent call we attended with over 130 investors, Jet'2 management had to spend the entire duration answering questions about the *"short term"* news from the last week and *"long term"* news from the last summer.

While this short-term focus can cause Jet2's stock to decline during periods of macro uncertainty, those drawdowns have created numerous buying opportunities over the last decade. We believe this time is no different.

Our thesis continues to be based on Jet'2 long-term intrinsic value as it emerges from Covid as the UK's leading package holiday provider. We estimate 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: Wednesday Nov 9, 2022 10am Eastern Time / 3pm UK time.

Join Zoom Meeting

https://us06web.zoom.us/j/87927012305?pwd=aG4xeitna0FkNm85WTJXOEI4dDlpUT09

Meeting ID: 879 2701 2305

Passcode: 980044

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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	-38.2%	-38.2%	-25.4%	-21.7%	-24.1%	-3.3%[2]
Annualized	28.7%	20.1%	12.2%	17.6%	15.4%	5.8%[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 the HFRX Global Hedge Fund Index are through to the end of August, 2022

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.